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IN THE

Supreme Court of the United States

OCTOBER TERM, 1968

No. [redacted] 88

IRENE BARTSCH,

Petitioner,

—v.—

METRO-GOLDWYN-MAYER, INC.,

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT AND APPENDIX

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Dated: May 8, 1968.

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In the

Supreme Court of the United States

October Term, 1968

No.

Irene Bartsch,

Petitioner,

—v.—

Metro-Goldwyn-Mayer, Inc.,

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

Petitioner, Irene Bartsch respectfully asks that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Second Circuit entered in this case on February 16, 1968.

Opinions Below

The opinion of the Court of Appeals has not been reported as of the date of the printing of this petition. A copy of said opinion is annexed hereto (App. pp. 31a-41a). The opinion of the United States District Court for the Southern District of New York (Bryan, *J.*) is reported at 270 F. Supp. 896 and is appended hereto (App. pp. 3a-16a).

Jurisdiction

The judgment of the Court of Appeals for the Second Circuit which is sought to be reviewed here (App. pp. 1a-2a) was entered on February 16, 1968. The jurisdiction of this Court is invoked pursuant to 28 U.S.C. § 1254(1).

Questions Presented

1. Does a 1930 grant of motion picture rights in a copyrighted dramatic work include, in the absence of any evidence of so-called actual intent, the right to televise a motion picture based upon such copyrighted work?

2. Does a 1930 grant of the right to copyright, vend, license and exhibit (which is partially the standard language of 17 U. S. C. §1 (a), (d)) a motion picture include the right to exhibit it in any manner or by any method whatsoever, including the right to televise such motion picture?

3. In applying current public policy considerations to the interpretation of the scope of the 1930 grant, which considerations could not possibly have been considered by the parties or have been relevant in 1930, is a property right inherent in plaintiff's renewal copyright destroyed, and is she thereby deprived of her property without due process of law?

Statutes Involved

1. *Copyright Act.* Sections 1(a), (d) of the Copyright Act (17 U.S.C. §§1(a), (d)) provided as follows:

> "Any person entitled thereto, upon complying with the provisions of this title, shall have the exclusive right"

(a) To print, reprint, publish, copy, and vend the copyrighted work;

* * *

(d) To perform or represent the copyrighted work publicly if it be a drama or, if it be a dramatic work and not reproduced in copies for sale, to vend any manuscript or any record whatsoever thereof; to make or to procure the making of any transcription or record thereof by or from which, in whole or in part, it may in any manner or by any method be exhibited, performed, represented, produced, or reproduced; and to exhibit, perform, represent, produce, or reproduce it in any manner or by any method whatsoever; * * *"

Statement

This petition, while involving the license for only one copyrighted work, is of paramount importance to both the motion picture and television industries. The television fare presented to the American public today consists to a great extent of motion pictures originally produced for theatrical exhibition. While it is true that many of these motion pictures were produced under copyright licenses entered into after the importance of rights to televise motion pictures was well recognized and full provided for in license agreements, it is equally true that a very significant number of these motion pictures were produced pursuant to copyright license agreements entered into before the complete significance of the right to televise a motion picture was recognized by the industry and did not specifically provide for these rights. In fact, as will be hereinafter shown and as, indeed, the Court of Appeals stated in its decision, the language used in the copyright license *sub judice* was not unique and was used in many

other copyright licenses executed at or about the time that the 1930 agreement here in issue was executed. Thus, the determination by the Court of Appeals, if permitted to stand without review, will affect not only the private rights of the litigants in this action, but will undoubtedly be considered as a binding precedent for the interpretation of a great number of copyright license agreements and will have extremely significant and important repercussions in both the motion picture and television industries. Repercussions in either of these industries, and certainly in both, will carry with it important consequences to the general public for whom television fare has become the principal staple of its recreation and amusement. Moreover, or of even greater significance, the determination of the Court of Appeals in effect defines two important rights under copyright which have not heretofore received such interpretation; viz., (i) motion picture rights include the right to televise and (ii) the right "to exhibit" (without more) carries with it the right to exhibit "it in any manner or by any method whatsoever.'

Prior to June 1, 1914, Rudolf Bernauer and Rudolph Schanzer wrote the dramatic work entitled "Wie Einst Im Mai" and on June 1, 1914 registered a claim of copyright for a term of 28 years in the Copyright Office of the United States.

By instrument dated January 23, 1930 (App. pp. 17a-19a), the aforesaid Schanzer and Bernauer, together with others who had contributed to the production of a musical version of the dramatic work, all granted to Hans Bartsch the sole and exclusive right

> "to use, adapt, translate, add to and change the said operetta or musical play and the title thereof in the making of motion picture photoplays, and to project,

transmit and otherwise reproduce the said work or any adaptation or version thereof, visually and audibly by the art of cinematography or any process analogous thereto, . . ."

By instrument dated May 12, 1930 (App. pp. 20a-29a), Hans Bartsch granted to Warner Bros. Pictures, Inc., certain rights he owned in "Wie Einst Im Mai" which were in almost *haec verba* limited and defined as they were in the grant he received from Schanzer, Bernauer, et al. (supra). Included in the grant from Hans Bartsch to Warner Bros., and of controlling significance in this action, was a license to Warner Bros. to use the work.

"in the making of motion picture photoplays, and to project, transmit and otherwise reproduce the said musical play or any adaptation or version thereof visually and audibly by the art of cinematography or any process analogous thereto, and to copyright, vend, license and exhibit such motion picture photoplays throughout the world."

In neither the grant to Hans Bartsch nor the grant from Hans Bartsch to Warner Bros. was there any mentioned or reference to either television, televising, transmission by television or transmission by any electronic or electromagnetic means whatsoever.

There is no evidence that when Hans Bartsch made his grant to Warner Bros. on May 12, 1930, he had any rights (other than stage production rights under an earlier agreement) in "Wie Einst Im Mai" other than those granted him by Schanzer, Bernauer, et al., in the instrument dated January 23, 1930. Paragraph 15 of the Bartsch/Warner argument (App. 28a) refers to the earlier Schanzer grant to Bartsch which involved publication rights in a stage production.

Subsequently, by instrument dated October 31, 1935, Hans Bartsch acquired from Schanzer his "share of the copyright . . . and all renewals thereof" in "Wie Einst Im Mai" and by instrument dated January 10, 1938, he acquired from Bernauer all of his "right, title and interest in and to the copyright . . . and all renewals thereof . . ." in "Wie Einst Im Mai".

On October 14, 1941, the Copyright Office issued a certificate of renewal of the "Wie Einst Im Mai" copyright to the authors Bernauer and Schanzer. On October 10, 1942, Bernauer in writing assigned his interest in the renewal copyright to Hans Bartsch. Schanzer made no additional transfer after the renewal copyright was registered; it appears, however, that the prior assignment of October 31, 1935, was sufficient in itself to transfer whatever interest he had in the renewal.

Bartsch died a New York resident on July 10, 1952. His will was duly admitted to probate on September 3, 1952, and letters testamentary were on that day granted to petitioner Irene Bartsch. Pursuant to the terms of the will Mrs. Bartsch, as executrix, transferred all of her husband's interest in the "Wie Einst Im Mai" renewal copyright to herself. In this suit for infringement she seeks to enforce rights obtained under this assignment.

The defendant, Metro Goldwyn Mayer, succeeded to all rights of Warner Bros., and having also acquired the rights of others having an interest in the musical play "Maytime", made a successful motion picture titled "Maytime" which starred Jeanette McDonald and Nelson Eddy and released the same for exhibition in theatres in 1937 and thereafter.

Other grants (which have been recorded in the United States Copyright Office) made both to Warner Bros. and other motion picture producers in 1930 were introduced

by the defendant. They show that the same language employed in the Bartsch/Warner Bros. grant was employed in these grants and that these particular grants in 1930 did not include specific reference to the right to televise motion pictures made pursuant thereto.

On the other hand, plaintiff introduced a series of seven grants of rights made to Warner Bros. in 1930, (also recorded in the United States Copyright Office) some dated a few months before and some within three months after the grant made by Hans Bartsch to Warner Bros. These exhibits were offered for the purpose of proving that in 1930 Warner Bros. was cognizant of the possibility that television might some day be a medium for the exploitation of motion pictures made pursuant to these grants and that at least in these instances, when Warner Bros. bargained for the right to televise these pictures, it received an unrestricted right employing the word "television" or some derivative thereof.

The present controversy arose when during 1958 the defendant Metro Goldwyn Mayer commenced licensing the motion picture "Maytime" for exhibition on television and the plaintiff's protests that her copyright was being infringed went unheeded by the defendant.

Judge Bryan, after trial, found for the defendant. The Court of Appeals affirmed the District Court, but the Court of Appeals did write in its opinion that ". . . the issue seems considerably closer to us than it did to Judge Bryan."

The Court of Appeals did not agree with Judge Bryan that the provisions in the license agreement giving the licensee the right to reproduce the motion picture made "by the art of cinematography or any process analogous there-

to" included the right to televise the same. On this point, the Court of Appeals wrote:

> "We have grave doubt on that score. We freely grant that 'analogous' is a broader word than 'similar,' and also that the first step in a telecast of a film, namely, the projection of the motion picture to an electronic pickup, is 'analogous' to throwing the picture on a theatre screen. But to characterize the to us nigh miraculous processes whereby these images actuate airwaves so as to cause electronic changes in sets in millions of homes which are then 'unscrambled' or 'descanned' and thus produce pictures on television screens—along with the simultaneous electronic transmission of sound—as 'analogous' to cinematography pushes the analogy beyond the breaking point. This is particularly so since the district court's construction would seem to lead to the conclusion that the assignment would entitle the assignee to 'project, transmit and otherwise reproduce' the musical play by a live telecast—a right which pretty clearly was not granted and indeed has not been claimed." (App. pp. 35a-36a).

Rather, the Court of Appeals stated that the decision to affirm was on the ground that the language "to copyright, vend, license and exhibit such motion picture photoplays throughout the world" included the right to license the telecasting of the picture. The Court of Appeals went on to hold that televising a motion picture would lie within the "ambiguous penumbra" of the rights granted by Bartsch in 1930 and favored a "broader view" because

> "it provides a single person who can make the copyrighted work available to the public over the penumbral medium, whereas the narrower one involves the

risk that a deadlock between the grantor and the grantee might prevent the work's being shown over the new medium at all." (App. p. 41a).

Reasons for Granting the Writ

A. The Court of Appeals in determining that the 1930 Bartsch/Warner grant of motion picture rights in a copyrighted work and the right to exhibit such motion picture included a license under the copyright to televise the motion picture improperly expanded the scope of the grant of such rights and the meaning of such rights under the Copyright Law.

The 1930 agreement, after granting "the motion picture rights throughout the world in and to a certain musical play 'Wie Einst Im Mai,'" elaborated and defined the scope of the grant as follows:

> ". . . together with the sole and exclusive right to use, adapt, translate, add to, subtract from, interpolate in and change said musical play, and the title thereof, (subject so far as the right to use said title is concerned to Paragraph 7 hereof) in the making of motion picture photoplays and to project, transmit and otherwise reproduce the said musical play or any adaptation or version thereof visually and audibly by the art of cinematography or any process analogous thereto, and to copyright, vend, license and exhibit such motion picture photoplays throughout the world . . ." (App. pp. 22a-23a).

Much of the testimony at the trial consisted of that of an expert called by the defendant who testified as to whether or not the process of television is "analogous" to the "art of cinematography" and within the scope of that particular clause of the grant (*supra*). Although Judge

Bryan decided that the art or process of television came within the said phrase, the Court of Appeals expressed "a grave doubt on that score" and felt that Judge Bryan had pushed the "analogy beyond the breaking point" (App. p. 36a).

The Court of Appeals held that the decisive phrase on which decision herein turned was the right granted "to copyright, vend, license and exhibit such motion picture photoplays throughout the world." This language constitutes a part of 17 U. S. C. 1 (a) and 1(d) and, therefore, presents a question of interpretation of an Act of Congress.

Moreover, this decisive phrase followed immediately that which granted the licensee the right "to project, transmit and otherwise reproduce the said musical play and any adaptation or version thereof, visually and audibly, by the art of cinematography or any process analogous thereto . . ." It is submitted that the doctrine of *einsdem generis* should apply and the right of the licensee to copyright, vend, etc. should be construed as being applicable to exhibition only by the processes mentioned in the immediately preceding phrase.

The Court of Appeals in effect rejected the application of the doctrine of *einsdem generis* by holding:

> "The 'to project, transmit and otherwise reproduce' language appears rather to have been directed at how the musical play was to be made into a photoplay." (App. p. 36a)

The language of the grant shows that the Court of Appeals was patently in error for at least two reasons in holding that said language appears to have been directed as to how the musical play was to be made into a photoplay or, in other words, how it was to be produced:

(a) The verbs to "project" and "transmit" can have nothing to do with how the copyrighted work is to be made into a motion picture. *After* the motion picture is produced, it is then projected or transmitted.

(b) The clause in the agreement immediately preceding the phrase containing the verbs "project" and "transmit" addresses itself to production or how the motion picture is to be produced. The agreement gives the right to the licensee to "use, adapt, translate, add to, subtract from, interpolate in and change said musical play, and the title thereof, . . ." (App. p. 22a) This is the language of the agreement addressed to how the motion picture is to be made.

After so granting the right to make or produce the picture, the agreement then addresses itself to the licensee's right to use the production by granting and limiting the right "to project, transmit and otherwise reproduce the said musical play . . . visually and audibly by the art of cinematography or any process analogous thereto," and adds to this right and limitation the right "to copyright, vend, license and exhibit such motion picture photoplays throughout the world."

The Court of Appeals held that by the first above granted clause the licensee did not get the right to televise the motion picture because television was not a process analogous to the art of cinematography, but that the second clause did give the licensee the right to "exhibit" the copyrighted motion picture by a telecast. Here, the Court fell into error because the rights granted to copyright, vend, license and exhibit the picture could be deemed applicable only to the media embodied in the "art of cinematography or any process analogous thereto." It does violence to logic to hold that the parties limited the licensee's right to pro-

ject the picture by the art of cinematography or any process analogous thereto, and then in the very next phrase intended to grant the licensee the right to exhibit the motion picture in any medium. If the Court of Appeals' reasoning is to be adopted, the whole phrase beginning "to project, transmit . . ." could and should have been eliminated because the right to exhibit found in the next clause of the grant gives, according to the Court of Appeals, the right to the licensee to exhibit in any medium, including television.

The Court of Appeals held (App. p. 38a) that the words of Bartsch's assignment "were well designed to give the assignee the broadest rights with respect to *its* copyrighted property." The Court of Appeals emphasized the fact that to "exhibit" means to "display" or to "show" by any method, and nothing in the rest of the grant sufficiently reveals a contrary intention." (App. p. 38a) As has heretofore been shown, this statement completely disregards the restriction that the projection or transmission of the picture was to be done by the "art of cinematography or any process analogous thereto." Furthermore, even today, when television is such an integral part of American life, the word "exhibit" is rarely, if ever, used in connection with a television performance. The words "televising" or "telecasting" have practically become words of art in the English language. Certainly, in 1930, the word "exhibit" could not have been deemed by the parties to have been a description of the process of televising a motion picture. It is not so used even today.

The Court of Appeals held that an experienced businessman such as Bartsch "is bound by the natural implications of the language he accepted when he had reason to know of the new medium's potential." (App. p. 38a)

Certainly, the Court of Appeals could not have believed that Bartsch's sophistication or experience exceeded that of the other party to the agreement—Warner Bros. As a matter of fact, there was irrefutable evidence in the form of publicly recorded documents that in 1930, when Warner Bros. acquired the right to televise motion pictures along with other rights, it did so directly and not by implication. There were introduced in evidence seven grants of rights filed in the Copyright Office of the United States whereby Warner Bros., within a period commencing four months before the Bartsch/Warner grant and ending three months thereafter, obtained grants from prominent authors or producers, whose sophistication and experience at least equalled if it did not exceed that of Hans Bartsch, which used the word "television" or "televising" when such words were intended to be included in the grant. On January 9, 1930, Victor Herbert granted Warner Bros. motion picture rights in "The Fortune Teller" and his right, title and interest "to televise and broadcast . . . said motion pictures." On July 14, 1930, David Belasco granted Warner Bros. the right to radio broadcast and televise photoplays made from his work "The Girl of the Golden West." Similar specific language is found in a grant from Rafael Sabatini dated January 20, 1930, to rights in his book "Captain Blood," from Booth Tarkington in a grant dated February 7, 1930 in his book "The Magnificent Ambersons," and from other prominent and sophisticated people in the literary field, including George Ade, Grace Oursler and Faith Baldwin.

The Court of Appeals dismissed this argument, stating that "Warner Brothers may have decided that, in dealing with Bartsch, it would be better tactics to rely on general words that were sufficiently broad rather than seek an express inclusion . . ." (App. p. 39a) But the Court of Appeals

in this very opinion held that the limitation of the right to "project, transmit and reproduce" was only by the means of the art of cinematography or any process analogous thereto and did not include the right to televise the motion picture. It is a far fetched conjecture that Warner Bros. would rely on this general language when it was simultaneously acquiring similar rights from others by the literal use of the word "televise." It is quite apparent that both parties were aware of the possibilities of televising future motion pictures. No explanation was offered why Warner Bros. in other instances occurring in or about the time of the Bartsch grant specifically included television rights, but omitted the same here.

There are at least three probable reasons why Bartsch did not express a specific reservation of television rights in the agreement:

(a) He did not have them in 1930. The only rights Bartsch had in 1930 were those granted him by Schanzer, Bernauer, et al., in the agreement dated January 23, 1930 (App. pp. 17a-19a), and certain other rights not material hereto which he obtained in stage productions under a 1925 agreement with G. Schirmer & Co.

(b) Bartsch being an experienced businessman knew that a license would not be expended beyond the specific terms thereof and that the absence of any grant of television rights, particularly when they were being mentioned in other grants taken by the same grantee, would suffice to reserve television rights, if, in fact, he had any.

(c) The general reservation of rights contained in paragraph 13 of the license agreement (App. p. 27a) and dismissed by the Court of Appeals in a footnote as not "standing for more than the truism that whatever Bartsch had not granted, he had retained", was deemed safer than list-

ing all retained rights because the omission of any one right in such a listing, would perhaps be considered evidence of an intention to grant said right pursuant to the maxim *inclusio unius est exclusio alterius.*

Two cases which were decided by Circuit Courts of Appeals and which the Supreme Court declined to review by the denial of certiorari are in point:

While not on all fours with the instant case as far as facts are concerned, the reasoning and language in Warner Bros. Pictures Inc. v. Columbia Broadcasting System, Inc., 102 F. Supp. 141 (S.D.Cal., 1951), aff'd, 216 F. 2d 945 (9th Cir. 1954) cert. denied 348 U. S. 971 (1955) is apposite. In this case Warner Bros. had acquired the right to make a motion picture of the famous mystery story "The Maltese Falcon" and had also acquired the rights to televise said motion picture. This grant also was made to Warner Bros. in 1930. After "The Maltese Falcon" had become as successful a motion picture as it had been a novel, the Columbia Broadcasting System obtained from the author of the book the right to use the principal characters of "The Maltese Falcon" in other stories to be included in a radio series. Warner Bros. which had obtained radio rights to "The Maltese Falcon" from the author in the original grant sought to enjoin the use of the characters by Columbia Broadcasting System in the stories on the ground that the original grant to Warner Bros. carried with it all the radio rights in the characters in the novel. Both the District Court Judge and the Circuit Court panel refused to accept the contention of Warner Bros., both holding that any grant of rights in literary property must be limited by the language of the grant itself and the Court would not undertake to remake the contract for the parties and extend general language to cover either omitted or forgotten specific situations.

Ettore v. Philco Television Broadcasting Corp., 229 F. 2d 481, cert. den., 351 U. S. 926, construed according to Pennsylvania law a contract entered into in 1936. Ettore, a professional boxer, contracted in 1936 to box Joe Louis. In the contract for the bout Ettore granted "motion picture rights to his boxing contest" (487). Almost twenty years after the bout the motion pictures of the fight were shown on television without Ettore's consent. The United States Court of Appeals for the Third Circuit held, first of all, the Pennsylvania law governed the interpretation of Ettore's contract with the promoter (490). The Court then posed the question crucial to the instant case in the following terms,

> "Is telecasting a motion picture an essentially different use than that to which the film would be put if shown in motion picture houses?"

After considering the wording of the contracts, many cases cited in the opinion and the fact that Ettore had put no contractual limitation on the use of the motion pictures in the contract, the Court held as follows:

> "It must be conceded that television is a new medium for the presentation of motion pictures. Ordinarily a motion picture film is projected by a projector by rays of light cast on a screen. There is no direct interposition of electrical energy. But when a film is telecast, there is the interposition of electric impulses which carry the picture to receiving sets where it is reproduced by rays of light for the eyes of the spectator. It may be fairly said, we think that this is a new use of the film and one which was not in commercial existence at the time Ettore made his contract" (488).

Here is clear authority that a contract made in 1936 and conveying "motion picture rights," even though no con-

tractual limitation was put on the use of these motion pictures, did not include the right to televise these motion pictures.

B. The Court of Appeals by applying 1968 considerations of public policy to the interpretation of a grant made in 1930 has deprived the plaintiff of her property in the renewal copyright without due process of law.

In 1930, commercial television was not yet a factor in American life. Experimentation was still going on although people in the entertainment business knew that sooner or later commercial television would be a reality. But in 1930, no one did and no one could possibly have foretold to what extent television would transform the entertainment habits of Americans and the great and, indeed, the major impact which the televising of feature motion pictures originally produced for theatrical exhibition would have. Certainly, nothing in the 1930 license agreement between Bartsch and Warner Bros. indicates any recognition of this fact. There was no evidence in 1930 that this was considered by people in the entertainment business.

The Court of Appeals concludes its opinion by applying present day standards of public policy to this action and determining that it is better to "make the copyrighted work available to the public over the penumbral medium" (App. p. 41a) than run "the risk that a deadlock between the grantor and the grantee might prevent the work's being shown over the new medium at all." (App. p. 41a) It is doubtful whether there is any overriding consideration of public policy which requires taking away from the owner of a copyright a significant part of the monopoly granted her by that copyright. Chopping down the benefits which the Copyright Law is designed to confer is a deprivation

of property without due process, and the Court of Appeals deprived the plaintiff of her property without due process of law in order to make a single motion picture available to the public on television without adequate compensation to the owner of the copyright of the story on which the picture is based.

CONCLUSION

The Supreme Court is being presented with many cases involving television and, especially, the interaction of the Copyright Law and the exigencies of filling the television screen. This is inevitable because television, although a recent phenomenon on the American scene, has become something of a monster in our culture and civilization—for good or for evil, we do not say or argue. The instant case, although it deals with only one motion picture, is of overriding importance because the rights to televise hundreds or maybe thousands of motion pictures made in the late 1920s or early 1930s are involved. Also, there are many important literary properties for which motion picture rights were sold at that time and which rights have not yet been exercised. The retained television rights under copyright of such authors is a matter of major significance and should not be left in a twilight zone so as to destroy their value to the authors. The issues in this case involve paramount questions of copyright law and due process. For these reasons, this case involves sufficient public importance to warrant consideration by the Supreme Court. The District Court and the Court of Appeals, although reaching the same judgment, were in conflict on almost every substantial point of decision involved in this

case. For these reasons, the Court is respectfully requested to grant this petition for certiorari.

Respectfully submitted,

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Of Counsel:

Dated: May 8, 1968.

Judgment

UNITED STATES COURT OF APPEALS
FOR THE
SECOND CIRCUIT

At a Stated Term of the United States Court of Appeals, in and for the Second Circuit, held at the United States Courthouse in the City of New York, on the sixteenth day of February one thousand nine hundred and sixty-eight.

Present:

HON. J. EDWARD LUMBARD,

Chief Judge,

HON. STERRY R. WATERMAN,
HON. HENRY J. FRIENDLY,

Circuit Judges.

IRENE BARTSCH,

Plaintiff-Appellant,

—v.—

METRO GOLDWYN MAYER, INC.,

Defendant-Appellee.

Appeal from the United States District Court for the Southern District of New York.

This cause came on to be heard on the transcript of record from the United States District Court for the Southern District of New York, and was argued by counsel.

Judgment

ON CONSIDERATION WHEREOF, it is now hereby ordered, adjudged, and decreed that the judgment of said District Court be and it hereby is affirmed.

/s/ A. David Fusaro
Clerk

—101—

Memorandum Opinion of Judge Bryan

• • • • •

BRYAN, District Judge:

This action for copyright infringement, brought under 17 U. S. C. § 101, et seq., was tried before me without a jury. The dispute arises out of television exhibitions by defendant of the motion picture "Maytime."

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I.

Most of the factual background is not in dispute and is as follows: On June 1, 1914, certificate of copyright D-37173 was issued to Rudolf Bernauer and Rudolph Schanzer as authors of a dramatic composition "Wie Einst Im Mai" written in German with music by Walter Kollo and Willy Bredschneider.[1] Some time during the 1920's "Wie Einst Im Mai" was drawn upon as the basis for the musical play or operetta "Maytime" which was copyrighted and produced for the theatre.[2] The operetta, with libretto and lyrics by Rita Johnson Young and musical score by Sigmund Romberg, had a highly successful Broadway run.

On January 23, 1930, Hans Bartsch, the late husband of the present plaintiff, obtained exclusive motion picture rights for "Wie Einst Im Mai" from the authors, Schanzer and Bernauer, and from several others owning interests in the composition. This grant in specific terms transferred to Bartsch "the sole and exclusive rights to use, adapt, translate, add to and change the said operetta or musical play and the title thereof in the making of motion picture photoplays, and to project, transmit and otherwise reproduce the said work or any adaptation or version thereof,

[1] Pl. Ex. 1; Def. Ex. A, B; Tr. 27.

[2] Pl. Ex. 11; Def. Ex. G, F, B; Tr. 9-10.

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visually and audibly by the art of cinematography or any other process analogous thereto, and to copyright, vend, license and exhibit such motion picture photoplays throughout the world * * * .[3] On May 12, 1930, Warner Bros. Pictures (Warner) obtained from Bartsch the exclusive right to make a motion picture based on "Wie Einst Im Mai" and "to project, transmit and otherwise reproduce the said musical play or any adaptation or version thereof visually and audibly by the art of cinematography or any process analogous thereto, and to copyright, vend, license and exhibit such motion picture photoplays throughout the world * * *."[4] Defendant Metro-Goldwyn-Mayer, Inc. (M.G.M.) succeeded to all of Warner's rights in "Maytime" and "Wie Einst Im Mai" by agreement dated February 27, 1935.[5]

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On October 31, 1935, Rudolph Schanzer assigned to Hans Bartsch all his right, title and interest in the "Wie Einst

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[3] Def. Ex. A.

[4] Def. Ex. B provides in pertinent part:

> "Owner hereby grants and assigns unto Purchaser, its successors and assigns, the motion picture rights throughout the world, in and to a certain musical play entitled 'WIE EINST IN MAI', * * * for the full period of all copyrights and any renewed and extended terms thereof, together with the sole and exclusive right to use, adapt, translate, add to, subtract from, interpolate in and change said musical play, and the title thereof (subject so far as the right to use said title is concerned to Paragraph 7 hereof), in the making of motion picture photoplays and to project, transmit and otherwise reproduce the said musical play or any adaptation or version thereof visually and audibly by the art of cinematography or any process analogous thereto, and to copyright, vend, license and exhibit such motion picture photoplays throughout the world * * *."

[5] Def. Ex. C; see Tr. 59.

Im Mai" copyright and all renewals thereof.[6] On January 10, 1938, Rudolph Bernauer made a similar grant transferring all his copyright interest and renewal rights in the work to Bartsch.[7] On October 14, 1941, the Copyright Office issued a certificate of renewal of the "Wie Einst Im Mai" copyright to the authors Bernauer and Schanzer.[8] On October 10, 1942, Bernauer in writing assigned his interest in the renewal copyright to Hans Bartsch.[9] Schanzer made no additional transfer after the renewal copyright was registered; it appears, however, that the prior assignment of October 31, 1935, was sufficient in itself to transfer whatever interest he had in the renewal.

Bartsch died as a New York resident on July 10, 1953. His will[10] was duly admitted to probate on September 3, 1952, and letters testamentary were on that day granted to plaintiff Irene Bartsch.[11] Pursuant to the terms of the will Mrs. Bartsch, as executrix, transferred all of her hus-

band's interest in the "Wie Einst Im Mai" renewal copyright to herself. In this suit for infringement she seeks to enforce rights obtained under this assignment.

The following course of events led to this suit against M.G.M. for an alleged infringement of the renewal copyright: Some time during 1936 and 1937 defendant produced

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[6] Pl. Ex. 5.

[7] Pl. Ex. 4.

[8] Pl. Ex. 6.

[9] Pl. Ex. 7.

[10] Pl. Ex. 8.

[11] Pl. Ex. 9.

and commenced distribution and exhibition of the motion picture film entitled "Maytime."[12] There is no question that the story of this motion picture is based in whole or in substantial part on the musical dramatic play of the same name written by Rita Johnson Young.[13] The motion picture was first copyrighted on March 18, 1937; a renewal subsequently was issued on March 19, 1954.[14]

On July 6, 1950, M.G.M. obtained a confirmation from G. Schirmer, Inc. of all rights under the "Maytime" renewal copyright—including the right to televise the motion picture.[15] M.G.M. received a similar confirmation from Sigmund Romberg on July 26, 1950, assuring the transfer of all rights under the renewal copyright.[16] This confirmation

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also specified the right to exhibit "Maytime" over television. On September 11, 1952, however, as the dispute between these parties crystallized, plaintiff confirmed to defendant only whatever rights under the "Wie Einst Im Mai" renewal copyright Hans Bartsch had originally granted to Warner in the original assignment of May 12, 1930.[17] During 1958 defendant M.G.M. commenced licensing the motion picture "Maytime" for exhibition on television.[18] Plaintiff charges that the licensing and exhibition of the "Maytime"

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[12] See Def. Ex. D; Tr. 89.

[13] Pre-Trial Order.

[14] Tr. 89.

[15] Def. Ex. F.

[16] Def. Ex. G.

[17] Def. Ex. H.

[18] See Tr. 84.

film over television constitutes an infringement by the defendant, and she therefore seeks damages and injunctive relief under the copyright law.

II.

The respective contentions of the parties are quite straightforward. Plaintiff takes the position that the crucial May 12, 1930 transfer of motion picture rights from Hans Bartsch to defendant's predecessor in interest, Warner,[19] did not include the right to exhibit "Wie Einst Im Mai" or "Maytime" on television. For this reason plain-

tiff contends that any and all television performances constitute infringements of her renewal copyright entitling her to relief.

Defendant M.G.M., on the other hand, takes the simple position that all rights to exhibit the film on television were relinquished by the May 12, 1930 transfer. It urges further that in any event Hans Bartsch made an absolute and unconditional transfer to it of any and all rights of whatsoever nature he received from persons owning an interest in "Wie Einst Im Mai"[20] and retained nothing on which a claim of infringement can be based.[21]

The first narrow issue posed by these contentions is whether the May 12, 1930 grant was broad enough to constitute a conveyance of television exhibition rights. More

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[19] Def. Ex. B.

[20] Note 3 *supra*.

[21] There is no claim here that the 1930 grant was broad enough to convey to the grantee live television rights. We are concerned only with rights to exhibit the film on television.

particularly, the question is whether the right to exhibit "Maytime" on television was embraced in a conveyance of "motion picture rights" authorizing Warner "to project, transmit and otherwise reproduce the said musical play or any adaptation or version thereof visually and audibly by the art of cinematography or any process analogous thereto * * * ."

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III.

The parties recognize that the correct disposition of this issue requires a determination of the intent of the principals as manifested in the contract of May 12, 1930. As in Meyers v. Selznick Co., 373 F. 2d 218, 222 (2d Cir. 1966), the words used by the parties in this crucial document are hardly so "'plain and clear' as to exclude proof of surrounding circumstances and other extrinsic aids to interpretation." Accordingly the parties introduced evidence throwing light on the general practices of the motion picture industry in 1930. Unfortunately neither side was able to produce a witness who was directly involved in the negotiations or preparation of the particular grant with which we are directly concerned.

During 1930 the future possibilities of television were recognized by knowledgeable people in the entertainment and motion picture industries. There is no question that upon occasion rights to exhibit motion pictures on television were specifically bargained for and transferred during that year.[22] Plaintiff introduced in evidence several

[22] This was so although the showing of movies on television was not common practice until the 1950's; defendant M.G.M., for ex-

grants to Warner during this period containing a specific

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reference to the right to televise motion pictures.[23] On the other hand, at about the same time Warner also obtained several broad grants of motion picture rights omitting any specific reference to television.[24]

In the case at bar I do not deem the absence of any specific reference to television in the crucial 1930 transfer to Warner to be of any controlling significance. In the first place, of course, grants and assignments to Warner by others during the same period obviously are not indicative of the precise scope of Bartsch's grant to Warner, particularly in the absence of any evidence that Bartsch was aware of them. McLoghlin v. Nat'l Mohawk Valley Bank, 139 N. Y. 514, 522 (1893); Catalino v. J. C. MacElroy Co., 13 App. Div. 2d 914, 215 N. Y. S. 2d 873 (1st Dep't 1961) (per curiam).

Moreover, we are by no means left in the dark as to exactly what bundle of rights was actually embraced by the 1930 transfer. The pertinent language in the contract of May 12, 1930, is strongly suggestive of the conclusion that the transferor Bartsch relinquished "Maytime" television rights. The phrase "to project, transmit and other-

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wise reproduce the said musical play" appears to represent an attempt by the parties to exhaust all possibilities with re-

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ample, did not commence licensing its motion pictures for television until 1957. See Tr. 80.

[23] Pl. Ex. 18-26.

[24] Def. Ex. O, P, Q, R, S.

spect to the exhibition of the film. It was generally understood in the industry during 1930 that phrases such as the catch-all term "otherwise reproduce" were included in grants of film rights to assure an enlargement of the rights granted.[25] And I have little difficulty on this record in reaching the conclusion that exhibition of the film on television is simply another way of projecting, transmitting and reproducing the play within the contemplation of the 1930 contract. This is true although, naturally enough, the parties who negotiated the grant were evidently not fully aware of the great commercial potential in motion picture entertainment through the medium of television.

In addition, defendant has established here that the exhibitions of the film on television qualify as reproductions of the play "by the art of cinematography or any process analogous thereto." The art of cinematography means generally the production of "a motion picture in any shape, form, size, color dimension" and thereafter making "use of that motion picture."[26] The adjective "analogous" in this contract means "corresponding to something else" or "bear-

ing some resemblance or proportion." Webster, New International Dictionary 94 (2d ed. 1954). The exhibition of a film through the television medium is certainly the utilization of a process analogous to or resembling the art of cinematography.

John Whittaker, defendant's well qualified expert witness, fully explained the respective techniques and mechanical operations of exhibiting a film in a theatre as compared

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[25] See Tr. 192-196.

[26] Tr. 195; see Tr. 147.

with reproduction of a film image on a television screen in the home. His testimony was uncontradicted, since plaintiff did not produce an expert. The processes of theatre and home television exhibition are markedly similar. In a theatre the images in a motion picture film are produced by a projector casting rays of light against a screen. A shutter controls the various degrees of brightness which make up the picture seen by the audience. Similarly, the customary practice for exhibiting motion picture films over television requires the use of a standard projector, sound head and lenses like those which are used in the theatre.[27] A very small image is projected against a photosensitive electronic scanning system, rather than a standard screen, and the information by a process of transduction is converted into electrical energy, transmitted over the air in

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electrical impulses, and carried into the home where it is again converted by the viewer's set.[28] The process of "unscrambling" or "descanning" the air-wave transmission so as to cast the image on the television screen is quite similar to that which takes place on the threatre screen, except that on the set in the home an electronic shutter, rather than a mechanical shutter, is used to control the picture image.[29] Finally, the audio or sound portions of the film are transmitted entirely by wires in the theatre, whereas, of course, in television the airwaves necessarily provide part of the medium of transmission between the wires at

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[27] Tr. 150.

[28] Tr. 162; see United Artists Television, Inc. v. Fortnightly Corp., 255 F. Supp. 177, 190 (S. D. N. Y. 1966), aff'd, —— F. 2d —— (1967).

[29] Tr. 162, 163.

the beginning and the end of the process. The intervention of the airwaves results in only a split-second hiatus and does not prevent the receiver at home from communicating the sound just as rapidly as the transmission in a large theatre.[30]

It is evident, therefore, that the process of exhibiting a motion picture over television provides a very close analogy to an exhibition in a theatre. This was true in 1930 from the point of view of the production and commercial end of

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the motion picture industry.[31] And this is true today from the point of view of the technical and mechanical processes involved, as Whittaker's testimony firmly established. As plaintiff brought out on cross-examination, the only substantial difference between the theatre and home television exhibitions concerns the intervention of the airwaves in the transmission or communication process. While this factor prevents the two processes from being identical, it certainly does not destroy the close analogy between them.

Beyond this, the broad, sweeping phrase "by the art of cinematography or any process analogous thereto," like the expansive terms "project, transmit or otherwise reproduce," was evidently included in the contract as a means of enlarging the grant to Warner.[32] In my view this protective language was sufficiently broad to assure that Warner obtained the television rights here in issue. This is a case like L. C. Page & Co. v. Fox Film Corp., 83 F. 2d 196, 199 (2d Cir. 1936), where "the genus embraced the

[30] See Tr. 166.

[31] Tr. 179-82.

[32] Tr. 196.

later developed species." I therefore find that plaintiff's predecessor in interest, Hans Bartsch, relinquished all rights to exhibit "Maytime" on television by the express terms of the May 12, 1930 transfer to Warner.

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There is yet a further reason why plaintiff cannot prevail in this action. As mentioned, on January 23, 1930, Bartsch obtained from several persons having an interest in "Wie Einst Im Mai" all motion picture rights "together with the sole and exclusive rights to use, adapt, translate, add to and change the said operetta or musical play and the title thereof in the making of motion picture photoplays, and to project, transmit and otherwise reproduce the said work or any adaptation or version thereof, visually and audibly by the art of cinematography or any process analogous thereto, and to copyright, vend, license and exhibit such motion picture photoplays throughout the world * * *."[33] On May 12, of the same year Bartsch turned around and for all practical purposes transferred to Warner any and all rights he had obtained on January 23. With minor variations not here material the May 12 transfer to Warner reiterated *in haec verba* the language delimiting the extent of the rights Bartsch had obtained on January 23.[34] In short, Bartsch transferred to Warner nothing less nor more (i.e., everything) he had received from the prior owner.[35]

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[33] Def. Ex. A.

[34] See Def. Ex. B.

[35] The only specific reservation to the unqualified transfer to Warner related to Bartsch's conditional exercise of rights "only in the German language and for the territory of Germany, Hungary,

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"One method of ascertaining what has or has not been transferred is to see what has been retained by the grantor." Allied Chemical Corp. v. United States, 370 F. 2d 697, 699 (2d Cir. 1967). Since Bartsch transferred to Warner, M.G.M.'s predecessor in interest, everything he obtained from *his* grantors, there was nothing for him to retain. He thus could not have retained the television rights. This is quite consistent with the testimony of Robert W. Perkins who, as counsel to Warner in 1930, approved the contract with which we are concerned upon the understanding that his employer had effectively obtained television rights, a conclusion which was based, among other things, on the identity between what was granted to Bartsch and what Bartsch granted to Warner.[36]

Plaintiff points to a general reservation of rights in the 1930 transfer[37] as evidence of the fact that Bartsch did not

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specifically intend to relinquish unspecified rights, in particular the privilege to exhibit the film on television. Such

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Austria, Jugoslavia, Czecho-Slavia, German-Switzerland, Scandinavia and Holland and none other." These limited German-language rights were later expanded to include the territories of Belgium, Def. Ex. F, and Luxembourg, Def. Ex. J.

[36] Tr. 204.

[37] Paragraph 13 of Def. Ex. B provides: "The rights which the Purchaser obtains from the Owner in 'WIE EINST IN MAI' and/or 'MAYTIME' are specifically limited to those granted herein. All other rights now in existence or which may hereafter come into existence shall always be reserved to the owner and for his sole benefit, but nothing herein contained shall in any way limit or restrict the rights which Purchaser has acquired or shall hereafter acquire from any other person, firm, or corporation in and to 'WIE EINST IN MAI' and/or 'MAYTIME'."

a general reservation, however, was by no means unusual in assignments of motion picture rights of this type in 1930,[38] and this particular provision is virtually useless in illuminating the specific intent of the parties as manifested by their contract. Warner obtained nothing more and nothing less than what was specifically relinquished. Bartsch retained nothing more and nothing less than what was specifically reserved. These observations scarcely illuminate the ultimate issue. I therefore find that Hans Bartsch unconditionally transferred to Warner any and all television rights he had secured from those owning interests in "Wie Einst Im Mai."

Since I have found for the defendant on this crucial question of the scope of the grant made in the assignment of

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May 12, 1930,[39] it is unnecessary to consider the alternative claims that plaintiff is barred by laches and that the motion picture "Maytime," though based in whole or in part on the composition "Wie Einst Im Mai,"[40] nevertheless

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[38] Tr. 135-37.

[39] Because of the fact that this case turns on the particular language incorporated in the contract defining the rights of the parties, the precedents relied upon are for the most part unilluminating. Ettore v. Philco Television Broadcasting Corp., 229 F. 2d 481 (3d Cir.), *cert. den.*, 351 U. S. 926 (1956) and Norman v. Century Athletic Club, 193 Md. 584, 69 A. 2d 466 (1949), are both distinguishable. The grant in *Ettore*, which was held not to effectuate a transfer of television rights, apparently embraced nothing beyond a naked grant of "motion picture rights." *Norman* also turned on the peculiar language of the instrument there involved and held only that television rights were not included within "the privilege of broadcasting" boxing bouts.

[40] Pre-Trial order.

does not constitute an infringement within the meaning of the copyright law.

Judgment will be entered for defendant.

The foregoing opinion constitutes my findings of fact and conclusions of law pursuant to Rule 52, F. R. C. P.

It is so ordered.

Dated: New York, N. Y.
July 11, 1967

FREDERICK VP. BRYAN
United States District Judge

Defendant's Exhibit A

KNOW ALL MEN BY THESE PRESENTS, that we,

Rudolf Schanzer and Rudolph Bernauer	(	authors of the libretto of a certain musical play entitled "Wie einst im Mai",
Walter Kollo and Willy Bredschneider	(	composers of the music of the same,
Drei Masken Verlag, A.G.,		publishers of the same,
Felix Bloch Erben and Carl Meinhard	(	owners of certain interests in the same,

which said musical play was produced in the United States of America under the title "MAYTIME", for a valuable consideration, receipt whereof is hereby acknowledged, hereby grant and assign unto HANS BARTSCH, his heirs, executors, administrators and assigns, the motion picture rights and all our right, title and interest in and in connection with such motion picture rights of the said operetta or musical play, throughout the world, together with the sole and exclusive rights to use, adapt, translate, add to and change the said operetta or musical play and the title thereof in the making of motion picture photoplays, and to project, transmit and otherwise reproduce the said work or any adaptation or version thereof, visually and audibly by the art of cinematography or any process analogous thereto, and to copyright, vend, license and exhibit such motion picture photoplays throughout the world; together with the further sole and exclusive rights by mechanical and/or electrical means to record, reproduce and transmit sound, including spoken words, dialogue, songs and music,

and to change such dialogue, if extracted from said works, and to interpolate or use other dialogue, songs and music in or in connection with or as part of the said motion picture photoplays, and the exhibition, reproduction and transmission thereof, and to make, use, license, import and vend any and all records or other devices required or desired for any such purposes.

We hereby further grant to said Hans Bartsch, his successors and assigns, all our right, title and interest in and to the right to make and publish synopses, scenarios and novelized versions of such motion picture photoplays for advertising purposes.

We hereby warrant that we have not heretofore granted or assigned any of the aforesaid rights, except for the sale of the motion picture rights to said Hans Bartsch on February 25, 1920.

We further warrant that said operetta or musical play "WIE EINST IM MAI", as written in the German language by said Schanzer and Bernauer, is wholly original and not copied in whole or in part from any other work.

This instrument shall bind the undersigned and their respective heirs, executors, administrators and assigns, and shall inure to the benefit of said Hans Bartsch, his heirs, executors, administrators and assigns.

Defendant's Exhibit A

IN WITNESS WHEREOF, we have hereunto set our hands and affixed our seals this 23rd day of January, 1930.

/s/ RUDOLPH SCHANZER (L.S.)

/s/ RUDOLF BERNAUER (L.S.)

/s/ WALTER KOLLO (L.S.)

/s/ WILLY BREDSCHNEIDER (L.S.)

/s/ CARL MEINHARD (L.S.)

DREI MASKEN VERLAG, A. G.

/s/ LUDWIG FRIEDMANN (L.S.)

/s/ FELIX BLOCH ERBEN (L.S.)

[Acknowledged]

Defendant's Exhibit B

COPYRIGHT OFFICE
OF THE UNITED STATES OF AMERICA

THE LIBRARY OF CONGRESS

WASHINGTON

This is to certify that the pages attached hereto constitute a true copy of the instrument recorded in the copyright office records of assignments and related documents volume 338, page(s) 198-207, on October 9, 1935.

IN TESTIMONY WHEREOF, the seal of this office is affixed hereto on March 22, 1960.

/s/ ARTHUR RIBER
Register of Copyrights

[SEAL]

Defendant's Exhibit B

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(Letterhead of Warner Bros. Pictures, Inc., New York)

May 12th, 1930

Mr. Hans Bartsch,
1639 Broadway,
New York City.

Dear Sir:—

Referring to the agreement between you and this corporation of even date, it is agreed that the consideration for all rights, licenses, privileges, property, warranties and covenants conveyed thereunder to this corporation and/or its successors and assigns shall be the sum of Twenty-three Thousand Dollars ($23,000.), the receipt in full of which you hereby acknowledge.

Your signature in the place indicated below will constitute your agreement to the above.

Very truly yours,

WARNER BROS. PICTURES, INC.

By /s/ ALBERT WARNER
Vice Pres.

I agree to the above and
acknowledge receipt of your certified
check in the sum of $23,000.
as payment in full.

/s/ [redacted]S BARTSCH
Hans Bartsch

Defendant's Exhibit B

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AGREEMENT entered into this 12th day of May, 1930, by and between HANS BARTSCH, being hereinafter known as the "Owner" and WARNER BROS. PICTURES, INC., a Delaware corporation, hereinafter known as the "Purchaser",

WITNESSETH:

WHEREAS, Owner owns the rights hereinafter assigned and purported to be assigned, and Purchaser is desirous of acquiring the same,

NOW THEREFORE, in consideration of the mutual covenants and promises hereinafter contained, it is agreed as follows:

24. ~~1.~~ Owner hereby grants and assigns unto Purchaser, its successors and assigns, the motion picture rights throughout the world, in and to a certain musical play entitled "WIE EINST IN MAI", . . .* ~~libretto and lyrics by Rudolf Schanzer and Rudolph Bernauer, music by Walter Kollo and Willy Bredschneider,~~ for the full period of all copyrights and any renewed and extended terms thereof, together with the sole and exclusive right to use, adapt, translate, add to, subtract from, interpolate in and change said musical play, and the title thereof, (subject so far as the right to use said title is concerned to Paragraph 7 hereof) in the making of motion picture photoplays and to project, transmit and otherwise reproduce the said musical play or any adaptation or version thereof visually and audibly by the art of cinematography or any process

* Ellipses handwritten insertion and quotations added.

analogous thereto, and to copyright, vend, license and exhibit such motion picture photoplays throughout the

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world . . . *" together with the further sole and exclusive right by mechanical and/or electrical means to record, reproduce and transmit sound, including spoken words, dialogue, songs and music, and to change such dialogue, if extracted from said musical play, and at its own expense and responsibility to interpolate and use other dialogue, songs and music in or in connection with or as part of said motion picture photoplays, and the exhibition, reproduction and transmission thereof, and to make, use, license, import, vend and copyright any and all records or other devices made or required or desired for any such purposes.

2. Owner further grants and assigns to Purchaser, its successors and assigns, his right, title and interest in the rights above set forth in Paragraph 1 with respect to a version or adaptation of said musical play which was produced in the United States of America under the title "MAYTIME", libretto and lyrics by Rida Johnson Young, music by Sigmund Romberg.

3. The Owner warrants that neither he nor International Play Agency Inc. has hitherto granted, assigned, hypothecated or encumbered in any manner any of the rights mentioned in Paragraph 2 hereof.

4. Owner further grants and assigns to Purchaser, its successors and assigns, all his right, title and interest in and to the right to make and publish, synopses, scenarios

and novelized versions of such motion picture photoplays for advertising purposes.

5. Owner warrants that he owns the rights set forth in Paragraph 1 and that neither he nor International Play

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Agency Inc. has heretofore granted or assigned, hypothecated or encumbered any of the aforesaid rights, except for the sale by him of the motion picture rights in said musical play to the Shubert Theatrical Co. under date of June 9, 1923, and that he has full right, title and authority to assign the same as herein assigned, and that no outstanding rights to produce the musical play on the stage in the United States of America and Canada have been granted which have not already expired except possibly under the contract of February 19, 1917 with Sam S. and Lee Shubert, Inc. The Owner waives in favor of Purchaser, its successors and assigns, the letter dated January 31, 1930, addressed to Owner and signed by Felix Bloch Erben as well as all rights and benefits thereunder, a true and correct translation of which is attached hereto, made part hereof and marked "Exhibit A".

6. As full consideration for the representations, warranties and covenants, and for the rights, licenses, privileges and property herein assigned and conveyed to Purchaser, Purchaser agrees to pay, upon the execution and delivery of this instrument, the sum of money already agreed upon, receipt whereof is hereby acknowledged.

7. The Owner hereby reserves the right to exercise the rights granted Purchaser in Paragraph 1 hereof but only

in the German language and for the territory of Germany, Hungary, Austria, Jugo-Slavia, Czecho-Slavakia, German-Switzerland, Scandanavia and Holland and none other, but said reservation is upon the following conditions, which conditions Owner hereby agrees to fully perform:

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(a) That any motion picture photoplay or photoplays which Owner shall make or have made from "WIE EINST IM MAI" shall not be released in any country of said territory until two (2) years after the release in such country of the first motion picture photoplay made pursuant to the rights acquired hereunder by Purchaser, its successors and assigns, but said limitation shall in no event extend beyond May 1st, 1934;

(b) That any such motion picture photoplay or photoplays released by Owner shall contain none of the music of the version produced in the United States of America under the title "MAYTIME", and shall contain none of the music of said motion picture photoplay or photoplays released by Purchaser which was not also used in the musical play "WIE EINST IN MAI", and shall contain none of the libretto or dialogue of said American version which was not also used in the musical play "WIE EINST IN MAI";

(c) That Owner shall not use for any such motion picture photoplay or photoplays, nor release same under, the title "MAYTIME";

but it is expressly understood and agreed that nothing herein contained shall in any way limit or restrict the

absolute right of Purchaser to produce, release, distribute and/or exhibit the photoplay or photoplays produced hereunder based in whole or in part on "WIE EINST IN MAI" and/or "MAYTIME", in all countries of the world, including the territory mentioned in this paragraph, at any time, and regardless of the right herein reserved to the Owner. It is expressly understood and agreed that Purchaser will not release such photoplay or photoplays in the said territory under the title "WIE EINST IN MAI" unless agreed to in writing by the Owner.

8. The Purchaser agrees that the photoplay or photoplays which may be made by it of "MAYTIME" shall not contain any of the lyrics or music of "WIE EINST IN MAI" which was not also used in the American stage production of "MAYTIME".

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9. Purchaser hereby agrees that if it shall interpolate in any photoplay or photoplays which it may produce pursuant to the rights herein granted, any new and additional songs, it will pay or cause to be paid to Owner a royalty of two cents (2¢) upon each copy of any such songs which may be published, sold and paid for.

10. Purchaser agrees to pay or cause to be paid to Owner a royalty of twenty five percent (25%) of any and all sums which may be received by it for or on account of the mechanical reproduction on Gramaphone records or similar devices of any new and additional songs interpolated in any photoplay or photoplays which Purchaser may produce pursuant to the rights herein granted, but

nothing herein contained shall give Owner any right to any sums received from sound records used in connection with the distribution and/or exhibition of the photoplays.

11. Full true and itemized statements showing in detail the number of copies of each song printed and sold and the revenue from the aforesaid mechanical reproduction as provided in Paragraphs 9 and 10 respectively, shall be rendered to Owner regularly before the 10th day of January, April, July and October in each year and at the same time the sums due to the Owner hereunder shall be paid to him.

12. Purchaser shall have the right to assign in whole or in part any of the rights herein granted and assigned and said rights may in turn be reassigned without limit, but the Purchaser shall always remain responsible to the Owner for the prompt and complete fulfillment of all the terms and conditions herein contained.

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13. The rights which the Purchaser obtains from the Owner in "Wie Einst in Mai" and/or "Maytime" are specifically limited to those granted herein. All other rights now in existence or which may hereafter come into existence shall always be reserved to the Owner and for his sole benefit, but nothing herein contained shall in any way limit or restrict the rights which Purchaser has acquired or shall hereafter acquire from any other person, firm or corporation in and to "Wie Einst im Mai" and/or "Maytime".

Defendant's Exhibit B

14. The Owner hereby appoints the Purchaser his irrevocable attorney in fact, with the right but not the obligation and for the sole benefit of the Purchaser, but at the sole cost and expense of Purchaser, to enforce and protect all rights herein granted under any and all copyrights and to prevent infringement thereof, and to litigate, collect and receipt for all damages arising from any infringement of such rights, using the Owner's name in Purchaser's discretion, and to join, in Purchaser's sole judgment, the Owner as a party plaintiff or defendant in any such suit or proceeding.

15. Purchaser agrees to save Owner harmless from any loss, which Owner may suffer under the contract between Owner and G. Schirmer, Inc. of the 18th day of December, 1925, with reference to the publishing rights for the United Kingdom of Great Britain to "MAYTIME" but only in so far as such loss may arise out of any claim *or action thereunder* on the part of said G. Schirmer Inc. that said contract should be interpreted so that the first exhibition by Purchaser of the first photoplay produced hereunder in said territory shall be considered equivalent to the first presentation of "MAYTIME" on the spoken stage in said territory.

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16. This agreement shall bind the parties hereto, their heirs, successors, administrators, executors and assigns.

Italicized material handwritten interlineation, initialled by H.B. and A.W.

Defendant's Exhibit B

17. Each and every term of this agreement shall be construed in accordance with the laws of the United States of America and of the State of New York.

IN WITNESS WHEREOF, the parties hereto have signed and sealed and caused to be signed and sealed this instrument the day and year first above written.

/s/ HANS BARTSCH L.S.
Hans Bartsch

WARNER BROS. PICTURES, INC.

By /s/ ALBERT WARNER
Vice President

Attest:

/s/ E. K. HESSBERG
Asst. Secy.

[Acknowledged]

Defendant's Exhibit B

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EXHIBIT A

FELIX BLOCH ERBEN

TRANSLATION

January 31st, 1930.

Mr. Hans Bartsch

Berlin
Hotel Adlon
Unter den Linden

Dear Mr. Bartsch:—

In regard to the matter "WIE EINST IM MAI" we confirm that the Drei Masken Verleg has now advised us that the music publication rights were sold for North America and Canada and that furthermore two single numbers "DIE MANNER SIND ALLE VERBRECHER" and "ES WAR IN SCHONBERG IM MONAT MAI" were sold to Scandinavia. There are no more valid stage rights for "WIE EINST IM MAI" except those granted to you.

Respectfully,

(Sgd) FELIX BLOCH ERBEN
A. LAUKISCH

UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT

No. 224—September Term, 1967.

(Argued December 6, 1967 Decided February 16, 1968.)

Docket No. 31633

IRENE BARTSCH,

Plaintiff-Appellant,

—v.—

METRO-GOLDWYN-MAYER, INC.,

Defendant-Appellee.

Before:

LUMBARD, *Chief Judge,*
WATERMAN and FRIENDLY, *Circuit Judges.*

Appeal from a judgment of the District Court for the Southern District of New York, Frederick vP. Bryan, *Judge,* dismissing a complaint in which a copyright owner sought to enjoin an assignee of motion picture rights from allowing the film to be exhibited on television. Affirmed.

MONROE E. STEIN (Heit & Rothenberg, New York, N. Y.; Stanley Rothenberg, of Counsel), *for Plaintiff-Appellant.*

EUGENE L. GIRDEN (Coudert Brothers, New York, N. Y.; Carleton G. Eldridge, Jr., of Counsel), *for Defendant-Appellee.*

Opinion of the Court of Appeals

FRIENDLY, *Circuit Judge*:

This appeal from a judgment of the District Court for the Southern District of New York raises the question whether, on the facts here appearing, an assignee of motion picture rights to a musical play is entitled to authorize the telecasting of its copyrighted film. Although the issue seems considerably closer to us than it did to Judge Bryan, we affirm the judgment dismissing the complaint of the copyright owner.

In January 1930, the authors, composers, and publishers of and owners of certain other interests in a German musical play "Wie Einst in Mai," which had been produced in this country as "Maytime" with a changed libretto and score, assigned to Hans Bartsch

> the motion picture rights and all our right, title and interest in and in connection with such motion picture rights of the said operetta or musical play, throughout the world, together with the sole and exclusive rights to use, adapt, translate, add to and change the said operetta or musical play and the title thereof in the making of motion picture photoplays, and to project, transmit and otherwise reproduce the said work or any adaptation or version thereof, visually or audibly by the art of cinematography or any process analogous thereto, and to copyright, vend, license and exhibit such motion picture photoplays throughout the world; together with the further sole and exclusive rights by mechanical and/or electrical means to record, reproduce and transmit sound, including spoken words, dialogue, songs and music, and to change such dialogue, if extracted from said works, and to interpolate or use other dialogue, songs and music in or in connection with or as part of said motion picture photoplays,

and the exhibition, reproduction and transmission thereof, and to make, use, license, import and vend any and all records or other devices required or desired for any such purposes.

In May of that year Bartsch assigned to Warner Bros. Pictures, Inc.

> the motion picture rights throughout the world, in and to a certain musical play entitled "WIE EINST IN MAI," libretto and lyrics by Rudolf Schanzer and Rudolph Bernauer, music by Walter Kollo and Willy Bredschneider, for the full period of all copyrights and any renewed and extended terms thereof, together with the sole and exclusive right to use, adapt, translate, add to, subtract from, interpolate in and change said musical play, and the title thereof (subject so far as the right to use said title is concerned to Paragraph 7 hereof), in the making of motion picture photoplays and to project, transmit and otherwise reproduce the said musical play or any adaptation or version thereof visually or audibly by the art of cinematography or any process analogous thereto, and to copyright, vend, license and exhibit such motion picture photoplays throughout the world, together with the further sole and exclusive right by mechanical and/or electrical means to record, reproduce and transmit sound, including spoken words, dialogue, songs and music, and to change such dialogue, if extracted from said musical play, and at its own expense and responsibility to interpolate and use other dialogue, songs and music in or in connection with or as part of said motion picture photoplays, and the exhibition, reproduction and transmission thereof, and to make,

use, license, import, vend and copyright any and all records or other devices made or required or desired for any such purposes.

By another clause Bartsch reserved the right to exercise for himself the rights generally granted to Warner Brothers insofar as these concerned German language motion pictures in certain countries and subject to specified restrictions:

> but it is expressly understood and agreed that nothing herein contained shall in any way limit or restrict the absolute right of Purchaser to produce, release, distribute and/or exhibit the photoplay or photoplays produced hereunder based in whole or in part on "Wie Einst in Mai" and/or "Maytime," in all countries of the world, including the territory mentioned in this paragraph, at any time, and regardless of the right herein reserved to the Owner.

A further clause recited

> The rights which the Purchaser obtains from the Owner in "Wie Einst in Mai" and/or "Maytime" are specifically limited to those granted herein. All other rights now in existence or which may hereafter come into existence shall always be reserved to the Owner and for his sole benefit, but nothing herein contained shall in any way limit or restrict the rights which Purchaser has acquired or shall hereafter acquire from any other person, firm or corporation in and to "Wie Einst in Mai" and/or "Maytime."

Warner Brothers transferred its rights to defendant Metro-Goldwyn-Mayer, Inc. early in 1935, which made, distributed and exhibited a highly successful motion picture

"Maytime." The co-authors of the German libretto, one in 1935 and the other in 1938, transferred all their copyright interests and renewal rights to Bartsch, whose rights in turn have devolved to the plaintiff, his widow. The controversy stems from MGM's licensing its motion picture for television, beginning in 1958.

Although the district judge upheld MGM's contention that the 1930 assignment from Bartsch to Warner Brothers included the right to permit telecasting of the motion picture to be made from the musical play, he thought there was "a further reason why plaintiff cannot prevail in this action," namely, that Bartsch had granted all that he had. This does not do justice to plaintiff's argument. Her position is that in 1930 Bartsch not only did not but could not grant the right to televise the motion picture since, under the similar language of the assignment to him, it was not his to grant; her claim of infringement is based not on the 1930 assignment to Bartsch of the motion picture rights but on the authors' later assignments of the full copyright.

The district court, appearing to consider that defendant's rights turned on the authorization "to project, transmit and otherwise reproduce the said musical play or any adaptation or version thereof visually and audibly by the art of cinematography *or any process analogous thereto*," concluded that television came within the phrase we have italicized. We have grave doubt on that score. We freely grant that "analogous" is a broader word than "similar," and also that the first step in a telecast of a film, namely, the projection of the motion picture to an electronic pickup, is "analogous" to throwing the picture on a theatre screen. But to characterize the to us nigh miraculous processes whereby these images actuate airwaves so as to cause electronic changes in sets in millions of homes which are then "unscrambled" or "descanned" and thus produce pic-

tures on television screens—along with the simultaneous electronic transmission of sound—as "analogous" to cinematography pushes the analogy beyond the breaking point. This is particularly so since the district court's construction would seem to lead to the conclusion that the assignment would entitle the assignee to "project, transmit and otherwise reproduce" the musical play by a live telecast—a right which pretty clearly was not granted and indeed has not been claimed.

As we read the instruments, defendant's rights do not turn on the language we have been discussing but rather on the broad grant, in the assignments to and from Bartsch, of "the motion picture rights throughout the world," which were spelled out to include the right "to copyright, vend, license and exhibit such motion picture photoplays throughout the world." The "to project, transmit and otherwise reproduce" language appears rather to have been directed at how the musical play was to be made into a photoplay. This may well have seemed a more vexing problem in 1930, due to uncertainties as to the best method for linking visual and audible reproduction, cf. *Paramount Publix Corp.* v. *American Tri-Ergon Corp.*, 294 U. S. 464 (1935), and whether a grant of motion picture rights to a play or novel included the right to sound reproduction, see *L. C. Page & Co.* v. *Fox Film Corp.*, 83 F. 2d 196 (2 Cir. 1936), than today. Being unclear whether sound reproduction would require alterations in previous methods of converting a play into a photoplay, Warner Brothers sought and obtained a considerable degree of freedom in that regard. On this view the clause whose meaning has been so hotly debated is irrelevant to the point here at issue, and decision turns rather on whether a broad assignment of the right "to copyright, vend, license and exhibit such motion picture photoplays throughout the world" includes the

right to "license" a broadcaster to "exhibit" the copyrighted motion picture by a telecast without a further grant by the copyright owner.

A threshold issue—which the pre-*Erie L. C. Page* decision was not required to take into account—is whether this question should be determined under state or federal law. The seventeenth paragraph of Bartsch's assignment says, somewhat unhelpfully, that "Each and every term of this agreement shall be construed in accordance with the laws of the United States of America *and* of the State of New York." [Emphasis supplied.] We hold that New York law governs. The development of a "federal common law" of contracts is justified only when required by a distinctive national policy and, as we found in *T. B. Harms* v. *Eliscu,* 339 F. 2d 823, 828 (2 Cir. 1964), citing many cases, "the general interest that copyrights, like all other forms of property, should be enjoyed by their true owner is not enough to meet this . . . test." Contrast *Murphy* v. *Colonial Savings and Loan Ass'n,* —— F. 2d —— (1967), and *Ivy Broadcasting Company, Inc.* v. *American Telephone & Telegraph Co.,* —— F. 2d —— (1968), with *McFaddin Express, Inc.* v. *The Adley Corp.,* 363 F. 2d 546 (2 Cir.), cert. denied, 385 U. S. 900 (1966). The fact that plaintiff is seeking a remedy granted by Congress to copyright owners removes any problem of federal jurisdiction but does not mean that federal principles must govern the disposition of every aspect of her claim. Cf. *DeSylva* v. *Ballentine,* 351 U. S. 570 (1956).

Unfortunately, when we turn to state law, we find that it offers little assistance. Two other situations must be distinguished. This is not a case like *Manners* v. *Morosco,* 252 U. S. 317 (1920), cited with approval, *Underhill* v. *Schenck,* 238 N. Y. 7 (1924), in which an all encompassing

grant found in one provision must be limited by the context created by other terms of the agreement indicating that the use of the copyrighted material in only one medium was contemplated. The words of Bartsch's assignment, as we have shown, were well designed to give the assignee the broadest rights with respect to *its* copyrighted property, to wit, the photoplay. "Exhibit" means to "display" or to "show" by any method, and nothing in the rest of the grant sufficiently reveals a contrary intention.[1] Nor is this case like *Kirke La Shelle Co.* v. *Armstrong Co.*, 263 N. Y. 79 (1938), in which the new medium was completely unknown at the time when the contract was written. Rather, the trial court correctly found that, "During 1930 the future possibilities of television were recognized by knowledgeable people in the entertainment and motion picture industries," though surely not in the scope it has attained. While *Kirke La Shelle* teaches that New York will not charge a grantor with the duty of expressly saving television rights when he could not know of the invention's existence, we have found no case holding that an experienced businessman like Bartsch is not bound by the natural implications of the language he accepted when he had reason to know of the new medium's potential.[2]

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1 The plaintiff points to paragraph 13 of the agreement, reproduced in the text, as indicating an intention to exclude television rights. The provision limits the rights of the assignee to those "specifically . . . granted herein," and saves to Bartsch "all other rights now in existence or which may hereafter come into existence." We cannot read this as standing for more than the truism that whatever Bartsch had not granted, he had retained.

2 In *Ettore* v. *Philco Television Broadcasting Corp.*, 229 F. 2d 481, cert. denied, 351 U. S. 926 (1956), the Third Circuit, applying Pennsylvania law, held that a 1935 contract granting moving picture rights did not permit the grantee to televise the film. However, unlike Bartsch, the grantor, Ettore, was not an experienced businessman but a prize fighter, and the Court relied heavily on his lack of sophistication in determining whether it was fair to charge him with knowledge of the new medium. *Id.* at 491, n. 14.

Plaintiff, naturally enough, would not frame the issue in precisely this way. Instead, she argues that even in 1930 Warner Brothers often attempted to obtain an express grant of television rights and that its failure to succeed in Bartsch's case should persuade us that, despite the broad language, only established forms of exhibition were contemplated. She buttresses this argument by producing a number of 1930 assignments to Warner Brothers, some of which specifically granted the right to televise motion pictures and others of which granted full television rights, and by adducing testimony of the Warner Brothers lawyer who had approved the assignment from Bartsch that on many occasions Warner Brothers attempted to secure an express grant of such rights but did not always succeed.

However, this is not enough to show that the Bartsch assignments were a case of that sort. For all that appears Warner Brothers may have decided that, in dealing with Bartsch, it would be better tactics to rely on general words that were sufficiently broad rather than seek an express inclusion and perhaps end up with the opposite, or may have used a form regular in the industry without thinking very precisely about television, or—perhaps most likely—may simply have parroted the language in the grant from Bartsch's assignors to him on the theory it would thus be getting all he had, whatever that might be. Indeed, it is really the assignment to Bartsch rather than the one from him that must control.[3] While plaintiff suggests that

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3 From all that appears, it would seem that this first assignment was negotiated in Germany and that German law would apply in its interpretation. Since neither party has suggested that German law differs from New York law in any relevant respect, we have not embarked on an independent investigation of the matter. *El Hoss Engineering & Transportation Co.* v. *American Independent Oil Co.*, 183 F. Supp. 394, 399 (S. D. N. Y. 1960), rev'd on other grounds, 289 F. 2d 346 (2 Cir.), cert. denied, 368 U. S. 837 (1961). Though new Rule 44.1 establishes that courts may, in their discretion, examine foreign legal sources inde-

Warner Brothers may have furnished Bartsch the forms to be used with his assignors, this is sheer speculation. There is no showing that the form was unique to Warner Brothers; indeed the contrary appears.

With Bartsch dead, his grantors apparently so, and the Warner Brothers lawyer understandably having no recollection of the negotiation, any effort to reconstruct what the parties actually intended nearly forty years ago is doomed to failure. In the end, decision must turn, as Professor Nimmer has suggested, The Law of Copyright §125.3 (1964), on a choice between two basic approaches more than on an attempt to distill decisive meaning out of language that very likely had none. As between an approach that "a license of rights in a given medium (*e.g.*, 'motion picture rights') includes only such uses as fall within the unambiguous core meaning of the term (*e.g.*, exhibition of motion picture film in motion picture theaters) and exclude any uses which lie within the ambiguous penumbra (*e.g.*, exhibition of motion picture film on television)" and another whereby "the licensee may properly pursue any uses which may reasonably be said to fall within the medium as described in the license," he prefers the latter. So do we. But see Warner, Radio and Television Rights §52 (1953). If the words are broad enough to cover the new use, it seems fairer that the burden of framing and negotiating an exception should fall on the grantor; if Bartsch or his assignors had desired to limit "exhibition" of the motion picture to the conventional method where light is carried from a projector to a screen directly beheld

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pendently, it does not require them to do so in the absence of any suggestion that such a course will be fruitful or any help from the parties. Miller, Federal Rule 44.1 and the "Fact" Approach to Determining Foreign Law: Death Knell for a Die Hard Doctrine, 65 Mich. L. Rev. 615, 692-702 (1967).

by the viewer, they could have said so. A further reason favoring the broader view in a case like this is that it provides a single person who can make the copyrighted work available to the public over the penumbral medium, whereas the narrower one involves the risk that a deadlock between the grantor and the grantee might prevent the work's being shown over the new medium at all. Quite apart from the probable impracticality, the assignments are broad enough even on plaintiff's view to prevent the copyright owners from licensing anyone else to make a photoplay for telecasting. The risk that some May might find the nation's television screens bereft of the annual display of "Maytime," interlarded with the usual liberal diet of commercials, is not one a court can take lightly.

Affirmed.

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1968

No. [redacted] 88

IRENE BARTSCH,

Petitioner,

v.

METRO-GOLDWYN-MAYER, INC.,

Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1968

No. 1424

IRENE BARTSCH,

Petitioner,

v.

METRO-GOLDWYN-MAYER, INC.,

Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

Questions Presented

The Petition for Certiorari (2)* attempts to present three questions which are intended by the petitioner to circumvent the fact that a narrow, private and particular contract controversy has been resolved by the United States District Court for the Southern District of New York, with unanimous affirmance by the United States Court of Appeals for the Second Circuit, on grounds just and reasonable with no resulting conflict of decisions.

The memorandum opinion of Judge Frederick vP. Bryan (3a-16a), upon consideration of all of the testimony and

* All page references are to the Petition for Writ of Certiorari and Appendix unless otherwise stated.

exhibits admitted into evidence sets forth at least three basic grounds for finding that the respondent had validly and expressly obtained the right to license the motion picture "MAYTIME" for exhibition through the medium of television:

1. ". . . exhibition of the film on television is simply another way of projecting, transmitting and reproducing the play within the contemplation of the 1930 grant" (10a);

2. ". . . The exhibitions of the film on television qualify as reproductions of the play 'by the art of cinematography or any process analogous thereto'" (10a);

3. ". . . Bartsch transferred to Warner nothing less nor more (i.e. everything) he had received from the prior owner . . . There was nothing for him to retain. He thus could not have retained the television rights" (13a-14a).

A fair reading of the Court of Appeals opinion herein (31a-41a) clearly establishes that while the Court of Appeals did not find it necessary to adopt Judge Bryan's reasoning *in toto*, a grant of "'the motion picture rights throughout the world,' which were spelled out to include the right 'to copyright, vend, license and exhibit such motion picture photoplays throughout the world' . . . includes the right to 'license' a broadcaster to 'exhibit' the copyrighted motion picture by a telecast without a further grant by the copyright owner" (36a-37a).

Respondent urges that certiorari be denied absent a clear showing that the Court of Appeals holding was erroneous in denying petitioner recovery or that the holding is in conflict with this Court or another court of appeals.

Statement of the Case

Petitioner's Statement of the Case (3-9) insofar as it follows the language and reasoning of the opinions of the trial court (3a-16a) and the Court of Appeals (31a-41a) is basically correct; however, the emphasis and the inferences drawn therefrom are entirely misleading (3-4).

Respondent, perhaps, could have raised the issue of whether the grant in issue was broad enough to grant "television rights" in general; instead, it chose not to claim "live television rights" or in fact any rights other than the right to exhibit its motion picture on television. To paraphrase the argument contained in the first full paragraph of petitioner's Statement (3-4) within the language of the Court of Appeals affirming opinion, petitioner would be correct in characterizing the contract determination of the Court of Appeals as affecting two important rights under copyright in a manner entirely consistent with the language of the grant in issue and existing case law; viz., (i) the motion picture rights granted under the narrow, private and particular Bartsch/Warner contract included the right to license the motion picture "MAYTIME" for exhibition on television and (ii) the granted right "to copyright, vend, license and exhibit" a motion picture photoplay (without limitation) included the right to "license" a broadcaster to "exhibit" the copyrighted motion picture by a telecast without a further grant from the copyright owner of any underlying work.

Petitioner is still grasping for support in alluding to various other motion picture grants to respondent's predecessor in interest, *circa* 1930, despite Judge Bryan's proper ignoring of these irrelevant grants (9a); similar treatment by the Court of Appeals on this point is clear indication of the lack of merit of petitioner's contention (39a-40a).

Reasons for Denying the Writ

I. The narrow, private and particular contract controversy here presented has been resolved by unanimous affirmance on grounds just and reasonable.

The rights claimed by respondent derive only from the May 12, 1930 Bartsch/Warner grant (Exhibit B, 21a-30a), the ultimate source. This poses a question of contract construction to ascertain the intent of the parties as to the scope of the transfer. The determination of such a contractual question between private parties on special facts as to the rights acquired under a particular contract presents no issue of public interest or importance for the purpose of review by this Court. This is especially so when the District Court decision dismissing the complaint has received, following a well-reasoned opinion, the unanimous affirmance of the Court of Appeals. *Graver Tank & Mfg. Co.* v. *Linde Air Products Co.*, 336 U. S. 271, 275 (1949).

Moreover, a consideration of the facts coupled with a reading of both opinions demonstrates that the decision is not only reasonable, but undoubtedly just and correct in resolving the contractual question in this case. In arriving at the conclusion that respondent at the very least validly obtained the rights to "copyright, vend, license and exhibit such motion picture photoplays throughout the world" which included the rights to "license" a broadcaster to "exhibit" the copyrighted motion picture by a telecast, the Court of Appeals correctly held that the words of the grant "were well designed to give the assignee the broadest rights with respect to *its* copyrighted property" (38a). Petitioner is now faced with the added impost of asking this Court to disregard its repeated

pronouncements that it "cannot undertake to review concurrent findings of fact by two courts below in the absence of a very obvious and exceptional showing of error". *Graver Tank & Mfg. Co.* v. *Linde Air Products Co., supra; Berenyi* v. *Immigration and Naturalization Service,* 385 U. S. 630 (1967).

Indigenous to both of the opinions below are *facts* and *inferences* drawn therefrom to the effect that respondent has contractually acquired the rights to license its motion picture photoplays for exhibition on television. These facts and inferences clearly bring this case within the "clearly erroneous" standards of Rule 52a of the Federal Rules of Civil Procedure.

The "clearly erroneous" rule applies to inferences drawn from undisputed facts as well as to findings of fact on disputed evidence. *C.I.R.* v. *Duberstein,* 363 U. S. 276 (1960); *Swan* v. *C.I.R.,* 355 F. 2d 795(6th Cir. 1966); *A.L.B. Theatre Corp.* v. *Loew's Inc.,* 355 F. 2d 495 (7th Cir. 1966); *Weddle* v. *C.I.R.,* 325 F. 2d 849 (2d Cir. 1963).

Despite the fact that petitioner's claim is for copyright infringement, both opinions indicate that the only issue was interpretation of a contract. The contract field is one in which the application of the "clearly erroneous" doctrine is most prevalent. *Boswell* v. *Chapel,* 298 F. 2d 502 (10th Cir. 1961); *Western Surety Co.* v. *Redman Rice Mills, Inc.,* 271 F. 2d 885 (8th Cir. 1959); *Menkoff* v. *A. D. Juilliard & Co.,* 182 F. 2d 236 (1st Cir. 1950). In *Menkoff* the Court of Appeals ruled that a trial judge's determination that a plaintiff's version of a contract was correct came under the purview of Rule 52a, *supra.* So too, the holdings that respondent's interpretation of the May 12, 1930 grant is correct is a finding of fact and cannot be reversed unless petitioner bears the burden of proving that both holdings were "clearly erroneous".

II. The May 12, 1930 Bartsch/Warner grant (Exhibit B) included the right to license for television exhibition a motion picture produced pursuant to said grant.

A. The right to exhibit the motion picture "Maytime" by means of television was expressly included in the Bartsch/Warner agreement of 1930.

On or about May 12, 1930 petitioner's predecessor in rights, Hans Bartsch, granted to Warner, respondent's predecessor in rights, exclusive and absolute motion picture rights (Exhibit B, 21a-30a), which grant includes the following:

> "* * * the motion picture rights throughout the world, in and to a certain musical play entitled 'Wie Einst Im Mai' * * * for the full period of all copyrights and any renewed and extended terms thereof, together with the sole and exclusive right to use, adapt, translate, add to, subtract from, interpolate in and change said musical play, and the title thereof * * * in the making of motion picture photoplays and to *project, transmit and otherwise reproduce the said musical play or any adaption or version thereof visually and audibly by the art of cinematography or any process analogous thereto,* and to copyright, vend, *license and exhibit* such motion picture photoplays throughout the world * * *
>
> "* * * but it is expressly understood and agreed that nothing herein contained shall in any way limit or restrict the *absolute right* of Purchaser to produce, release, distribute and/or exhibit the photoplay or photoplays produced hereunder based in whole or in part on 'Wie Einst Im Mai' and/or 'Maytime', in all countries of the world, including the territories mentioned in this paragraph, at any time, and *regardless* of the right herein reserved to the owner * * *

"* * * the rights which the Purchaser obtains from the Owner in 'Wie Einst Im Mai' and/or 'Maytime' are specifically limited to those granted herein. All other rights now in existence or which may hereafter come into existence shall always be reserved to the Owner and for his sole benefit, but *nothing herein contained shall in any way limit or restrict the rights which Purchaser has acquired or shall hereafter acquire from any other person, firm or corporation in and* to 'Wie Einst Im Mai' and/or 'Maytime' * * *" (Italics supplied)

At the outset, it is important to distinguish between television and motion picture rights in any given literary property and to clearly understand just what rights respondent claims by virtue of the May 12, 1930 assignment from Hans Bartsch to Warner.

As the term is generally understood, television rights contemplate the immediate transmission of a "live" production, that is, while it is actually being performed. To be distinguished from this are motion picture rights which involve the production of a motion picture and its subsequent exhibition. Respondent contends that the Trial Record, reason and the weight of authority dictate that the right to exhibit its motion picture on television was included in the unrestricted assignment of "motion picture rights".

Even a cursory reading of the granting language supports respondent's contention that it was granted all rights in connection with the production and exhibition of the film it was to make. Though the word "television" was not specifically mentioned, the use of the words "transmit" and "any process analogous thereto" (cinematography) is strong evidence that the parties contemplated the broadest possible grant of exhibition rights and that these exhibition rights included not only television but also any

other means that might later be developed, e.g., laser beams.

The word "television" could well have been forsaken in favor of broader language so as not to risk invoking the rule *expressio unius est exclusio alterius* (39a). Cf. *Warner Bros. Pictures* v. *Columbia Broadcasting System, Inc.*, 102 F. Supp. 141 (S. D. Calif. 1951), aff'd 216 F. 2d 945, 949 (9th Cir. 1954), cert. den. 348 U. S. 971 (1955).

Petitioner introduced various grants contemporaneous with Exhibit B in which the word television was actually used and apparently attached great significance to the fact that this word was omitted in the instant grant.

Such grants are not at all relevant to an interpretation of the language in question. Petitioner and respondent both readily admit a general knowledge of the advent of television in 1930. Beyond this these other documents have no probative value and in similar situations have been systematically rejected by the courts of this state when offered to define terms used in another agreement. See, e.g., *Catalano* v. *J. C. MacElroy Co., Inc.*, 13 A. D. 2d 914 (1st Dep't 1961); *McLoghlin* v. *National Mohawk Valley Bank*, 139 N. Y. 514, 522 (1893) (9a).

Looking further at the granting language of Exhibit B, it is readily apparent that it is couched in broad and generic terms. The fact that the right to exhibit or license the film for exhibition on television was encompassed thereby may be seen from the terminology by which the totality of motion picture rights, including unlimited and unrestricted means of exhibition, was conveyed. For purposes of greater clarity the component clauses of this paragraph will be analyzed.

1. "Owner hereby grants and assigns * * * the motion picture rights throughout the world * * * together with the sole and exclusive right to use (etc.) * * *."

Short of inventing new terms, it is impossible to see how the draftsmen could have better expressed the intent of the parties that everything conceivably comprehended by the term "motion picture rights" passed to the grantee. No residium of motion picture rights of any sort remained in the grantor after the conveyance of these rights. The adjectives "sole" and "exclusive" signify that nothing less than the whole bundle of motion picture rights was to belong to the grantee exclusively as against the world, including the grantor.

> 2. "To project, transmit and otherwise reproduce (the photoplay) visually and audibly by the art of cinematography or any process analogous thereto, and to copyright, vend, license and exhibit such motion picture photoplays throughout the world * * *"

No limitation as to the media of use appears. It is a familiar rule of construction that every word of an agreement is presumed to have some purpose [*First Nat'l Bank* v. *Jones,* 219 N. Y. 312 (1916)] and that effect must be given to every part if reasonably possible. *Sattler* v. *Hallock,* 160 N. Y. 291 (1899). As part of the granted rights, the grantee was given the right to "transmit" or "otherwise reproduce" motion picture versions of "WIE EINST IM MAI" without limitation.

It is commonly known that the televising of a motion picture involves the use of a transmitter to send out signals which are received in the home by a "receiver" (television set) which electro-magnetically reconstitutes the signal emanating from the transmitter into a picture accompanied by sound. That meaning of the word "transmit" was known in or about 1930 as well, for the 1931 edition of *Funk & Wagnalls' New Standard Dictionary* defines television as "the instantaneous transmission to a distance of images, views, or objects by telegraphy either with wires or without".

Granting to Warner the right to copyright its motion picture, without limiting the use of the copyright in the film in any manner, demonstrates that the seller parted with unrestricted control over any use to which the film might be put. A motion picture photoplay may be copyrighted under Section 5(1) of the Copyright Law [17 U.S.C. 5(1)]; and once copyrighted, it is entitled to the protection which Section 1(d) of the Copyright Law affords to a "dramatic work". *Metro-Goldwyn-Mayer Distributing Corp.* v. *Bijou Theatre Co.*, 59 F. 2d 70 (1st Cir. 1932). As in the case of practically every feature motion picture, the motion picture here involved was copyrighted.

The existence of a copyright in respect to "Wie Einst Im Mai" did not preclude the acquisition by the grantee under the instant contract of a copyright in and to its motion picture as a "piece of property wholly separate and independent from the novel and drama". *G. Ricordi & Co.* v. *Paramount Pictures*, 92 F. Supp. 537, 540-541 (S.D.N.Y. 1950); *Photo-Drama Motion Picture Co., Inc.* v. *Social Uplift Film Corp.*, 220 Fed. 448, 450 (2d Cir. 1915); Ball, *Law of Copyright and Literary Property*, p. 537.

The owner of a copyrighted motion picture acquires the right to "exhibit, perform, represent, produce or reproduce it in any manner or by any method whatsoever". 17 U.S.C.A., sec. 1(d). These incidents of ownership of a copyrighted motion picture include the right to grant exclusive or restrictive licenses to others to exhibit said motion picture. *Interstate Circuit, Inc.* v. *United States*, 306 U. S. 208, 227-228 (1937).

Under the instant contract the grantee "acquired a full ownership in the picture, subject only to the limitations contained in the contract. This ownership included the right to use the picture publicly in any form of exhibition, except as such right is limited by the terms of the contract". *Lillie* v. *Warner Bros. Pictures, Inc.*, 139 Cal. App. 724, 728. As has been shown, the contract did not limit the use of the motion picture to any particular form of

exhibition. The grant of unrestricted copyright to the purchaser in respect to its motion picture militates against the construction contended by petitioner.

The grant demonstrates that Warner's rights as concerns "licensing" and "exhibition" are not limited to any medium of exhibition. The granting paragraph and in fact, the "reservation" paragraph (paragraph 13) can be searched in vain for the use of any words importing any limitation as to the exclusive right to license and exhibit the motion picture film produced pursuant to the grant in question (38a).

There has not been much litigation concerning whether or not a grant of "motion picture rights" includes the right to exhibit the film on television. The only case directly in point is *Wexley* v. *KTTV, Inc., et al.*, 108 F. Supp. 558 (S. D. Calif. 1952), aff'd 220 F. 2d 438 (9th Cir. 1955). The *Wexley* case concerned an agreement wherein the author and copyright owner of a play assigned the motion picture rights to defendants' assignors and subsequently sued for infringement when the motion picture produced thereunder was telecast. The Court stated that the sole issue was whether the assignment transferred to the purchaser the right to televise a motion picture produced under the assignment provisions. The District Court said at pp. 559-560:

> "It will be observed that the owners grant '• • • the sole and exclusive right throughout the world to make • • • exhibit, • • • motion picture versions of the said dramatic composition • • • in any manner and method now or any time hereafter ever known or made available • • •.' Television, being a presently known method of exhibiting motion pictures, the right to televise motion pictures is granted unless a limitation or reservation is expressly and clearly imposed.
>
> • • •

"* * * because such a reservation would conflict with the right granted the purchaser to exhibit motion pictures in 'any manner or method now or any time hereafter ever known or made available'."

There can be no question here but that Warner validly obtained the exclusive and absolute right to exhibit the motion picture "MAYTIME". Nowhere in the grant in question is there any implied restriction, limitation or reservation as to the method, means or medium by which respondent could distribute or exhibit its motion picture, *much less an expressly and clearly imposed limitation or reservation. Contra,* the reservation clause merely reserves the rights not granted (27a), but no reservation could *in any way limit or restrict the rights which purchaser has acquired,* i.e.; the *absolute right* to distribute and/or exhibit, *regardless* of any reserved rights.

There is no contention here that respondent wrongfully produced the motion picture "MAYTIME". There would be no complaint from petitioner if respondent chose to exhibit its film by projecting it in any motion picture theatre, airplane, or other place where the audience would view a projection upon a screen with the aid of light rays, images recorded upon a film with such rapid and changing succession of exposures as to give the optical effect of a continuous picture of the object even when in motion. Again, petitioner is merely protesting the specific licensing by respondent of the motion picture film "MAYTIME" for exhibition via television.

A very interesting case in point is the case of *Philadelphia Retail Liquor Dealers Association* v. *Pennsylvania Liquor Control Board,* 360 Pa. 269, 62 A. 2d 53 (1948), wherein the Court construed a 1933 statute expressly covering regulation of "moving picture exhibitions" to include the use of television devices in general. In expressly characterizing the showing of motion picture film on tele-

vision, the Court said at pages 274-275:

> "The learned court below found and it is not disputed that television is used to broadcast moving picture exhibitions. In that connection, an expert witness called by the plaintiff admitted that when a motion picture is shown on a television set, the same picture there appears as would be seen on the screen where the televised motion picture is being broadcast. In that situation, such entertainment could not fairly be characterized as other than a moving picture exhibition and, therefore, directly subject to the Board's regulation and control by the express words of the Act."

Based on the above, it is the contention of respondent that the unambiguous, exclusive and absolute right to distribute and/or exhibit its motion picture film clearly enabled respondent to freely license its film for television exhibition.

B. The right to exhibit the motion picture "Maytime" by means of television was impliedly included in the Bartsch/Warner agreement.

Assuming *arguendo* that the granting language in the Bartsch/Warner agreement cannot be construed as expressly giving Warner and its successor the right to license its film for television exhibition, respondent contends that the granting language must at least impliedly grant all television rights, and certainly the right to exhibit the motion picture film "MAYTIME" on television.

The mere fact that respondent contends that the granting rights are broad enough to include the exhibition of a motion picture film on television, and petitioner insists that such is not the case, leads to the inescapable conclusion that the grant in question contains "ambiguous" phraseology. The word "ambiguous" means "capable of being understood in either of two or more possible senses".

Webster's New International Dictionary, 81 (2d Ed. 1957). Even though television was experimentally known in 1930, it was not commercially developed until much later. Ambiguity suggests that there was an absence of intent rather than a hidden intent.

In *Nimmer On Copyright* (1963), Professor Nimmer, in dealing with the problem of whether a grant of motion picture rights includes the right to exhibit the film on television, writes as follows at pages 545-546:

> "The other alternative, and the one which it is believed is to be preferred, is to hold that the licensee may properly pursue any uses which may reasonably be said to fall within the medium as described in the license. This would include uses within the ambiguous penumbra since if whether or not a given use falls within the description of the medium is ambiguous it must, by definition mean that it is within the medium in a reasonable sense (albeit this is not the only reasonable sense). 'In other words, the question before the court is not whether he (the licensee) gave the words the right meaning, but whether or not the words authorized the meaning he gives them.'
>
> "This approach commends itself in part because the courts are equipped to determine the outer limits of the reasonable meaning of a term when it may well be impossible to locate a supposed true and single intent of the parties which generally never in fact existed. It further appears preferable to the strict construction alternative first suggested above since it is less likely to prove unjust. Remember that the licensor has consented to the use of a term (e.g., motion picture rights) which under one, though not the only, reasonable meaning includes the ambiguous penumbra (e.g., exhibition of motion picture film on television). It is possible that both the licensor and the licensee at the time of execution intended the term to include this

meaning, or at least would have so intended had they thought about it. It is also possible, of course, that neither party intended nor would have intended such meaning. But in weighing these two alternative possibilities the decisive fact (in the absence of direct evidence of intent) is that both parties agreed to include a term which in its ambiguity was capable of the extended meaning. In such circumstances it is surely more arbitrary and unjust to put the onus on the licensee by holding that he should have obtained a further clarification of a meaning which was already present than it is to hold that the licensor should have negated a meaning which the licensee might then or thereafter rely upon."

Professor Nimmer's reasoning above fits the "MAYTIME" case perfectly, even though respondent obtained more than mere "motion picture rights" (40a-41a).

Evidence as to the special or trade meaning of the words "motion picture rights" is admissible. *Murphy* v. *Warner Bros. Pictures,* 112 F. 2d 746 (9th Cir. 1940), and authorities cited therein. In support of the contention that this term by virtue of custom in the trade includes television exhibition rights is the clear statement to this effect in *Hollywood Plays, Inc.* v. *Columbia Pictures Corp.,* 77 N.Y.S. 2d 568, 574 (1947). "The term 'motion picture rights', by virtue of custom, also embraces television and radio rights. . . ."

Of course, what was custom in 1943 may not have been in 1930. However, it is reasonable to assume that trade usage, if not custom, defined motion picture rights to include television exhibitions. "*Custom* is that length of *usage* which has become law." *Walls* v. *Bailey,* 49 N. Y. 464 (1872).

In many cases, while although not directly on point, the Courts have reached conclusions very similar to the relief sought herein by respondent. Perhaps the most analo-

gous situation concerns the question of whether "motion picture rights" included sound motion picture rights. In the leading case holding that sound motion picture rights were included in the broader term, *L. C. Page & Co.* v. *Fox Film Corp.*, 83 F. 2d 196 (2d Cir. 1936), the Court ruled that "exclusive moving picture rights" included technical improvements in motion pictures developed during the license so as to include talking motion pictures, although unknown at time of execution of agreement, notwithstanding the acknowledgment that at the time of the grant (1923) sound motion pictures were not within the contemplation of the grantor. See also, *M. Rosenberg and S. Lesser* v. *H. B. Wright,* 20 Copyright Decisions 599 (Superior Court for County of Los Angeles, Calif. 1934).

In effect the *Page and Rosenberg* decisions held that sound rights were contained in the "ambiguous penumbra" of moving picture rights, and in so doing defined the phrase "moving picture rights" in a reasonable and proper manner (albeit the phrase was "ambiguous").

Another problem which has been litigated and provides further analogy concerns the right of a motion picture company in the absence of express granting language to license for television exhibition the performance of the performer starring in the motion picture. In *Televising Old Films—Some New Legal Questions About Performers' and Proprietors' Rights* by Herbert T. Silverberg, 38 Virginia Law Review 615, Silverberg states at page 616:

> "The motion picture producers have taken the position that unless limited by contractual provision, they have the unrestricted right as to all films produced by them to use, sell or license others to use them, upon any terms and for any purpose they wish, including television."

The leading case determinative of the above principle is *Republic Pictures Corp.* v. *Rogers,* 213 F. 2d 662 (9th

Cir. 1954), cert. den. 348 U. S. 858. In the *Rogers* case, the motion picture company obtained the right to use the actor's "name, likeness and voice" and to reproduce actor's "acts, poses, plays and appearances." The Court held that the motion picture company was entitled to license use of motion pictures in which actor appeared on television programs. The Court held further that when Rogers divested himself of all rights in and to the movies in which he appeared, the actor could not thereafter claim that his rights were infringed.

In a companion case, *Autry* v. *Republic Productions*, 213 F. 2d 667 (9th Cir. 1954), cert. den. 348 U. S. 858, the Court held that where the actor gave the motion picture producer the right to reproduce any "acts, poses, plays and appearances" of the actor, the producer had the unlimited right to photoplays, including the right to license use thereof for exhibition on television programs.

All of the above cited cases are compatible with the principle that any ambiguity should be construed in favor of the grantee, rather than the grantor. This principle of law has been clearly established in the Federal Courts.

In *Grant* v. *Kellogg Co.*, 58 F. Supp. 48, 51 (S.D.N.Y. 1944), the Court said:

> "If in the transfer there was any limitation for the benefit of the plaintiff, that limitation, restriction or reservation, whatever it may be called, must have been expressed and clearly imposed. Otherwise it will not be presumed. *American Tobacco Co.* v. *Werckmeister*, 207 U. S. 284, 297, 28 S. Ct. 72, 52 L. Ed. 208, 12 Ann. Cas. 595; *Dielman* v. *White*, C. C., 102 F. 892, 895; *Dam* v. *Kirk La Shelle Co.*, 2 Cir., 175 F. 902-904, 41 L.R.A., N. S. 1002, 20 Ann. Cas. 1173; *Yardley* v. *Houghton Mifflin Co.*, 2 Cir., 108 F. 2d 28, 31, certiorari denied 309 U. S. 686, 60 S. Ct. 891, 84 L. Ed. 1029; *Pushman* v. *New York Graphic Society*, 287 N. Y. 302, 39 N. E. 2d 249."

In contending that the purchaser's rights are limited, petitioner engages in the uniformly condemned practice of trying to reduce or limit the scope of an express grant by reading into it language of limitation not clearly supplied by the instrument. *Grant* v. *Kellogg Co., supra; Macloon* v. *Vitagraph,* 30 F. 2d 634, 636 (2d Cir. 1929); *Vargas* v. *Esquire, Inc.,* 164 F. 2d 522, 526 (7th Cir. 1947); *Pushman* v. *New York Graphic Society,* 287 N. Y. 302 (1942); *Emigrant Ind. Sav. Bank* v. *108 W. 49th St. Corp.,* 8 N.Y.S. 2d 354, 359, 255 App. Div. 570, aff'd 21 N. E. 2d 620, 280 N. Y. 791 (1939).

In *Pushman* v. *New York Graphic Society, supra,* the Court stated at page 308:

> "The Courts cannot read words of limitation into a transfer which the parties do not choose to use."

An implied restriction is one which necessarily arises from the language used by the parties. The situation must be one wherein no other construction is supportable. Far from necessitating such an implication, the claimed restriction at bar would effectually curtail the scope of several of the express grants to the purchaser as well as the incidents of the respondent's ownership of the copyright in its motion picture. This leads to a presumption that no such restriction was intended. *Macloon* v. *Vitagraph, supra; Vargas* v. *Esquire, Inc., supra; Grant* v. *Kellogg Co., supra.*

These rules have peculiar application where the right claimed is resisted on the ground that it was placed in limbo, i.e., that neither side could exercise the right. In the case of *Macloon* v. *Vitagraph, supra,* the rule was thus stated:

> "The law always favors the free and unrestricted use of property, and doubts and ambiguities should be resolved in favor of the natural right to such free use and enjoyment, and against restrictions thereof."

If for some reason the Court had ruled that respondent did not have the right to license for television exhibition the motion picture film "MAYTIME" and that petitioner was *not* at liberty to assign any "television rights", then if petitioner assigned to another or used "television rights", the licensee of television rights under such circumstances would compete unfairly with respondent's motion picture rights and diminish the value of the contract in question. Hence, a negative covenant is implied which precludes petitioner from using even ungranted portions of the copyright to the detriment or destruction of respondent's rights. *Uproar Co.* v. *National Broadcasting Co.*, 8 F. Supp. 358, modified 81 F. 2d 373 (1st Cir. 1936), cert. den. 298 U. S. 670 (1935); *Kirke La Shelle Co.* v. *Armstrong Co.*, 263 N. Y. 79 (1933); *Underhill* v. *Schenck*, 238 N. Y. 7 (1924). Accordingly, respondent contended that the principle of implied negative covenant rested upon the presumed intention of the parties, *necessarily* implied from the language of the parties to carry out the purposes of the contract.

It should be reiterated that respondent did not argue that the language in question was broad enough to grant all television rights. That question was not before the Trial Court or Court of Appeals and is not present before this Court. The only question is whether respondent rightfully licensed its motion picture "MAYTIME" for television exhibition. Petitioner painfully ignores the import of the "reservation" clause (Paragraph 13, Exhibit B; 27a) wherein it specifically stated that "nothing herein contained shall in any way limit or restrict the rights which Purchaser has acquired or shall hereafter acquire from any other person, firm, or corporation in and to 'Wie Einst Im Mai' and/or 'Maytime' ".

From the above quoted language it is clear that petitioner reserved nothing which could interfere with respondent's absolute right to exhibit its motion picture in any form, fashion or medium.

In this connection the rule of construction which states that in case of doubts grants are to be construed in favor of the grantee should certainly prevail.

Although the specific word "television" does not appear in either the granting or reservation clauses, the granting-language as generally understood in 1930 was certainly broad enough to secure this right of motion picture exhibition to respondent. Conversely, the reservation not only did not specifically retain television exhibition rights, but more importantly, it had a proviso which nullified any right that might have been retained that interfered with or in any way limited or restricted *any rights* Warner obtained or would obtain in "MAYTIME" *from any other person.*

The testimony and evidence in this case was inconclusive as to which party prepared the May 12, 1930 grant, but it is reasonable to assume that "the crucial language" was inserted by Hans Bartsch in that it was the same as that used in the grant of the same rights to him earlier that year (Exhibit A; 17a-19a). The use of identical language in granting rights as was used in acquiring them is a common method of insuring the grant of all the rights then held by the grantor.

This indicates that the crucial language was inserted by Hans Bartsch and should be construed against the petitioner.

There can be no doubt that Hans Bartsch, petitioner's predecessor, was the grantor of certain rights by means of the 1930 Bartsch/Warner agreement. It is basic law that such documents are construed in favor of the grantee (Warner-MGM) and against the grantor (Bartsch). It is also the "preferable" view that the grantee should be allowed to "properly pursue any uses which may *reasonably* be said to fall within the medium as described in the license." (Nimmer, *Copyright*, § 125.3, italics added.) (40a-41a).

C. The exhibition of a motion picture by television is by a process analogous to cinematography.

The Court of Appeals did not reject the holding of the Trial Court to the effect that "the exhibitions of the film on television qualify as reproductions of the play 'by the art of cinematography or any process analogous thereto'" (10a). The Court of Appeals obviously found it unnecessary to rule on this point in its holding that respondent had obtained sufficient rights to license for broadcast or exhibit the copyrighted motion picture by television.

While respondent contends that the Trial Court's holding on this point was correct, it does not believe that it is necessary to further argue this point since the holding of the Court of Appeals is completely sufficient to suppport respondent's position.

III. The holdings below do not result in any conflict of decisions.

As is self-evident in the opinions below, the holdings of the Trial Court and the Court of Appeals are solely on the facts of contractual intention and meaning. Aside from the import of the "clearly erroneous" standard of Rule 52a, *supra*, and the "two court" doctrine, the holdings below do not conflict with any holding of this Court or of any other Court of Appeals. For this reason alone, the Petition for Certiorari should be denied.

The only two cases relied upon by petitioner (15, 16) are each inapposite to the issue before this Court. The first of these is *Ettore* v. *Philco Television Broadcasting Corp.*, 229 F. 2d 481 (3rd Cir. 1956), cert. den., 315 U. S. 926 (1956). Of major importance there were several factors not present in the instant case, to say nothing of the fact that *Ettore* was decided primarily on a right of privacy theory. From the opinion it appears that the

grant to Philco was of "motion picture rights" only, with no mention of exhibition by analogous processes. Also, in *Ettore,* the Court was careful to point out that none of the parties to the contract (made in 1936 and not before the Court) were aware of commercial television (it did not in fact exist until 1941), and it was thus reluctant to construe the grant as including a right not known to the parties (38a). Clearly this is not the situation in the instant case where not only were the parties aware of television and its commercial potential, but the producers actually sought to and did use language conveying such exhibition rights, occasionally, *in haec verba.*

With respect to *Warner Bros. Pictures, Inc.* v. *Columbia Broadcasting System, Inc., supra,* the real meaning of this decision supports respondent's over-all copyright position. Respondent fails to see *any* analogy in support of petitioner's position between the instant case and the case where the creator of the detective "Sam Spade" assigned to a motion picture producer dramatization rights to a work entitled "The Maltese Falcon" in which the character "Sam Spade" had appeared and subsequently assigned to Columbia Broadcasting System, Inc. the right to use the character "Sam Spade" on radio programs. In the "Sam Spade" case, the Court held *inter alia* that because of the prevailing custom in the field of detective fiction of reusing the central character in new plot situations, the original assignment could not have been intended to give the plaintiff exclusive dramatization rights and therefore, the creator was free to assign the right to use the character in radio broadcasts. This is indeed a far cry from the facts of this litigation. This case relied upon by petitioner involved only the rights to a character in a story, there being no question but that motion picture rights to "The Maltese Falcon", including the use of "Sam Spade" therein, and including the absolute right to exhibit "The Maltese Falcon" by means of any medium in-

cluding television, were granted. As previously noted, the case supports respondent's position and the danger involved in "over-drafting", i.e., the rule *expressio unius est exclusio alterius.* Id. at 949.

It is interesting to note that this Court denied certiorari in the "Sam Spade" case where both the Trial Court and the Court of Appeals interpreted a contract as precluding petitioner's right to recover. Certiorari was also denied in the *Ettore* case, *supra.*

CONCLUSION

The Court should deny the Writ of Certiorari.

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